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JPRS 81658

30 August 1982

Near East/North Africa Report

No. 2611

DISTRIBUTION STATEMENT A

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19980916 119

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30 August 1982

NEAR EAST/NORTH AFRICA REPORT

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PERSIAN GULF AFFAIRS

BRIEFS

LOSSES TO PIRACY--A study on sea piracy prepared by the Federation of Chambers of Commerce and Industry in the UAE has shown that losses suffered by Arab merchants to sea piracy, particularly in the Gulf, may be much higher than published estimates because numerous incidents have not been reported by the victims themselves for individual reasons. According to the reports acts of piracy have not decreased appreciably despite the media attention that has been given, and despite the efforts that have been made so far. This is because it is difficult for all nations to agree on international laws to deter piracy, and because various nations have conflicting interests in maritime commerce. In order to put a halt to the incidents the study suggested that the merchants themselves take the utmost precautions when making deals, when choosing maritime carriers, and in doing business with maritime fleets or with companies which operate organized merchant lines. It advised them to set up a security system to deal with matters of sea piracy. [Text] [Paris AL-MUSTAQBAL in Arabic No 281, 10 Jul 82 p 39] 9123

CSO: 4404/583

FIRST SOCIALIST LABOR PARTY CONGRESS CONVENED

Election of Members

Cairo AL-SHA'B in Arabic 15 Jun 82 p 1

[Text] Forty-three members from the party's First General Congress were nominated for membership in the party's Executive Committee. The Congress elected 20 of them. They are:

1. Dr Muhammed Hilmi Murad, former minister of education and professor of economics.
2. Mr Ahmad Farghali, former member of the People's Congress; a member of the Union of Journalist's Council.
3. Mr Muhammed Hassan Dirah, engineer and representative of Dimyat to the People's Congress.
4. Mr Ibrahim al-'Azazi, representative of East Husainiya to the People's Congress.
5. Mr Muhammed Abu al-Fadl al-Jazawi, lawyer; former member of the National Congress and secretary of Giza.
6. Mr Sayid Rustum, representative of the Sahel district to the People's Congress.
7. Mr Ibrahim Yunis, political correspondent of the newspaper AKHBAL AL-YAWM and secretary general of the Egyptian Society for Human Rights.
8. Mr Hamid Zaydan, editor-in-chief of AL-SHA'B.
9. Mr Fu'ad Nashi, advisor to the Arab League and member of the Union of Journalists.
10. Dr Layla Tikla, former member of the People's Congress; professor at the Institute for Higher Education.
11. Mr 'Abd al-'Aziz Hamdi Salim, engineer with the Easter Company at Dawajin.

12. Mr 'Abd al-Samih Mabruk, lawyer; representative of Shabayn al-Kawm to the People's Congress.
13. Mr Ibrahim al-Ziyadi, appellate lawyer.
14. Mr 'Abd al-Hamid Barakat, counselor at al-Azhariya Institutes.
15. Mr Mahmud al-Maliji, appellate lawyer.
16. Dr Salah 'Abdallah, member of the General Union of Physicians.
17. Dr Ahmed Amin 'Abd al-Ghani, professor at the Agricultural College of Mansura and secretary of al-Daqhayah.
18. Mr Mamduh Qinawi, appellate lawyer and secretary of Sahaj district.
19. Mr Jilali Nada, officer (retired).
20. Mr 'Amru Lashin, lawyer and secretary of Alexandria district.

Muhammed Hilmi Murad

Cairo AL-SHA'B in Arabic 15 Jun 82 p 1

[Text] The Executive Committee of the Socialist Labor Party convened its first meeting since the General Congress assembled last Saturday. It was chaired by party chairman Ibrahim Shukri.

The committee issued its first decision with the election of Dr Muhammed Hilmi Murad as secretary-general of the Socialist Labor Party. It was a unanimous decision.

The party's First General Congress established new by-lines relating to the sphere of authority and new duties of the secretary-general, who will supervise the Secretariat General. The Secretariat General includes the secretary of information, secretary of organization, secretaries of special party committees. The secretary general will also participate in establishing the particular policies of all branch secretariats.

The party's secretary general will also undertake the task of contacting the people, and the provincial committees. He will supervise the work being done there and keep up with their activities. He will also be the contact between the provincial districts and the party leadership, in cooperation with the secretaries of the provinces.

Party Chairman

Cairo AL-SHA'B in Arabic 15 Jun 82 p 1

[Text] The SFP's First General Congress elected Mr Ibrahim Shukri chairman of the party for a new term. He got 614 votes. Two other people were nominated for the position: Mr Yusuf al-Tahir Muftah, who got 24 votes, and Mr Muhammad Ibrahim 'Abdullah, who got 9 votes. Six members abstained from voting.

Party By-Laws

Cairo AL-SHA'B in Arabic 15 Jun 82 p 5

[Text] Our objectives:

The Socialist Labor Party believes that honorable and earnest productive labor is the main axis upon which relies the country's progress and the economy's dynamism. The party emphasizes the participation of the entire people in labor, in increasing production, and in the enjoyment of the country's wealth in a manner that will achieve the justice called for by Islam and all the other heavenly religions.

The SLP aims at achieving socialism and democracy that stem from our religion, traditions and reality. It aims at making prosperity available to all people, and relies on freedom and human rights supported by scientific planning and research.

The SLP believes that Egypt is a part of the Arab world, and that economic and cultural integration is the objective precondition for Arab unity, and that the unity of Egypt and Sudan is the first natural precondition for this unity.

The SLP also emphasizes the leading role of Egypt for the Islamic World, for the League of Arab Nations, for the Nonaligned Nations Movement, and for the Organization of African Unity. It supports the peoples' right to prosperity, freedom and peace.

The SLP strives for the achievement of these and other goals in its program through democratic means, through the spread of science and ethics, and through making freedom available to the people, and through cooperation with all elements that are honorable, who believe in God and the right of every person to a dignified life.

The Duties and Rights of Members:

Each member is, in addition, committed:

- (1) to preserve the unity of the party, to submit to the decision of the majority, and to abide by the decisions issued by the party;
- (2) to pay his dues and to faithfully attend the party's meetings and congresses;
- (3) to be faithful and true, to be a good influence on the members of society, and to guard over the people's welfare.

Suspension of Membership

Membership will be suspended for:

- (1) anyone who refrains from paying his monthly dues for a period of up to 6 consecutive months after notification (by written notice sent to his address)--unless he has presented an acceptable excuse for his tardiness;

(2) anyone who harms the reputation of the party, or fails to fulfill the duties of membership, or causes a disruption of order within the party.

The decision of suspension should last for the period stipulated. If the member does not demonstrate action to remove the cause of his suspension, he may be considered for expulsion.

The Executive Committee

The Executive Committee of the party is the executive leadership of the party. It is composed of the party chairman and 30 members.

The party's General Congress elects the chairman and the members of the Executive Committee every 2 years. They may be re-elected for more than one term.

The Executive Committee, headed by the chairman, meets to elect a vice-chairman from among its members. It also elects a secretary general, an assistant secretary general, a treasurer, a secretary for information, and a secretary for organization. They form, along with the party chairman, the Politburo.

The Higher Committee

The Higher Committee carries out the tasks of the General Congress between sessions.

The Higher Committee is composed of:

- (1) the members of the Executive Committee;
- (2) the provincial secretaries;
- (3) the members of the party's parliamentary structure;
- (4) the Executive Committee may nominate for membership in the Higher Committee a number of secretaries elected to the party's special committees and regional committees, on the condition that the number of these nominees does not exceed one-tenth of the members of the Higher Committee, which has the final say in the matter of their acceptance;
- (5) the Executive Committee may also nominate a number of party members of outstanding performance for membership in the Higher Committee, on condition that the number of nominees does not exceed one-tenth of the Higher Committee's membership, and on the condition that they be approved by the Higher Committee.

The General Congress is the highest party body and the final authority for determining policy and setting plans and programs for the party's activities.

The General Congress alone has the right to modify the party's by-laws or programs, by a majority of three-fourths of those attending the Congress.

The party's General Congress is composed of the members of the Higher Committee, the members of the provincial committees' politburos, the secretaries of

the central and district committees and their assistants, and a number of others depending upon the concentration of membership in the provinces, districts and centers, and their representation in the General Congress proportionate with such concentration.

This number and the above-mentioned proportion, will be determined by the Executive Committee with the support of the Higher Committee.

The party's General Congress will be held annually during the month of October as a session for listening to, and debating: the party chairman's report on the party's general policy; the general secretary's report on party activities; the treasurer's report on financial affairs; and whatever the party's Higher Committee sees fit to insert into the congress' agenda. One-third of the members present in the General Congress may present any subject for debate if three-fourths of those present agree.

The General Congress will elect from among its members, every 2 years, a party chairman and 30 members to form the party's Executive Committee. They may also be re-elected.

Functions of Members Occupying Positions of Leadership

--Chairman and vice-chairman

The chairman is the party's representative in its interaction, dealings and adjudication. He is the party's spokesman in matters general and specific, expressing the will and thinking of the party.

He is responsible for supervising the organization's statutes (judgments); he is the general supervisor over the party's activities and its leadership's operations.

He is the one who calls for the convening of meetings by the Executive Committee, the Higher Committee and the General Congress. He chairs these sessions. He directs their debates and gives permission to those wishing to speak, in accordance with the work agendas.

In the event the chairman is absent, the vice-chairman will take his place in chairing sessions and in his other tasks.

The Executive Committee may charge the vice-chairman with certain other tasks.

Position on Islamic Law

Cairo AL-SHA'B in Arabic 15 Jun 82 p 7

[Text] The SLP gives special attention to Islamic law, which it considers the fundamental source of legislation for the state. This attention is clearly manifested by the preeminent place it holds as one of the principles and objectives of the party, as formulated in the inaugural party program.

The party's attention to this principle is not due to the fact that it is a constitutional commitment. On the contrary, the party's view is that the constitution was endorsed on the basis of this commitment as a sacred duty requiring the dedication of our sincere and earnest efforts for its revitalization. It is not just a token slogan whose inclusion in the constitution's text was dictated by necessity. The constitution regards Islam as the state's official religion.

From this standpoint, the SLP has formulated its view on the application of Islamic law in the following:

First: Positive laws should be reconsidered on the basis of fundamental Islamic principles, just as they appear in the Book and in the Traditions (Sunnah), and with heed for the opinions of leaders in Islamic studies (Fiqh) to be sure that the laws agree with Islamic principles. Those judgments and texts of the law that do not agree with Islamic principles should be removed.

Second: Egyptian organizations and institutions should be examined on the basis of fundamental Islamic principles and should be modified to make them totally compatible with these principles. While certain of these organizations were new innovations in recent centuries, it is no longer possible to base our reexamination upon what was prevalent in the time of the prophet, the Rashid in Caliphs, and the decrees of the masters of Islamic studies (Fiqh) after them. Instead, our reexamination must rely on independent study and appraisal (ijtihad and qiyas). The door must be left open to allow the spirit of Islam to aid in our welfare, not injure it.

Third: Human society has always been in a state of motion and constant change. Scientific and technical progress knows no bounds. The evolution of man's institutions and organizations, and the subjugation of his development, require that we continue with independent study and appraisal (ijtihad and qiyas). This requires, therefore, that we link Islamic traditions with modern culture. With this linkage alone, we gain progress with firm grounding (in our heritage) and thus add to human progress. Thus, we will not be limited to imitation and simple transmittance. And in order to achieve this linkage at its best, we must supplement university studies with a firm grounding in the well springs of Islamic tradition.

Fourth: We must hasten to implement the reports of the People's Congress' Special Committee on the Application of Islamic law. They must be debated in sessions for all to hear, with the participation of all parties and religious and scientific bodies, after their confirmation in principle by al-Azhar.

Fifth: The SLP will take into account the recommendations of the committee (see above) pertaining to decrees issued, or modifications of legislation, or religious legislation in the previous period. This is a logical matter dictated by necessity in order to save time and effort.

Sixth: We will strive to build an Islamic society in its ethics, dealings, behavior, and economy so that it will be in compliance by all that is

required of Islamic law. A society will be established that is righteous, pure and virtuous. It will bring about mutual responsibility between all of its members, where it takes from the rich what it deems appropriate to guarantee social welfare and equity for the disabled and the needy.

Recommendations of First Congress

Cairo AL-SHA'B in Arabic 15 Jun 82 pp 10-11

[Text] First: Concerning Arab Affairs and Foreign Policy

(1) The demand for an end to diplomatic relations and a freeze on normalization measures with Israel: In accordance with Israel's breaking of the peace and its armed attacks on Lebanese territory and the Palestinian people, which is a violation of the UN Charter and a stifling of the alleged spirit of peace, the Congress calls on the Government of Egypt to cut off diplomatic relations with Israel as a first step, to be followed by other steps in the event that Israel refuses to stop its aggression. The Congress similarly demands that the measures for normalization with Israel be frozen, and that Egyptian oil supplies sold to Israel be cut off, since the commitments stipulated in the Egyptian Israeli peace treaty are only legally binding on Egypt in proportion to Israel's adherence to the treaty's provisions, in the spirit and in the letter.

(2) An end to the autonomy talks: This demand stems from the reality that Israel wishes to impose in the West Bank and the Gaza Strip by establishing and thickening its settlements there, and by its annexation of Arab Jerusalem and its declaration of the city as its united capital. Israel clings to an implementation of autonomy as a form of local administration under Israeli sovereignty, and that the principle of self-determination applies to the land and not the people. It rejects the right of the Palestinian people to establish their own independent state. The congress considers it futile to resume autonomy talks and proposes instead an alternative for the Palestinian issue. That alternative is the convening of an international conference under the auspices of the United Nations, with the participation of all concerned parties, including the PLO as the sole legitimate representative of the Palestinian people.

(3) The organization of effective aid to the Arab forces fighting in Lebanon: In order to confront the brutal aggression of Israel against the sovereignty of Lebanon, aggression aimed at liquidating the Palestinian people in Lebanon (which is a violation of international law, the UN Charter, and all human values); and in compliance with what our Arabism dictates to us; the congress announces that the SLP open the door for volunteers to come to the aid of the Arab forces fighting in Lebanon. This is to be done in cooperation with the PLO, and applies to all of the Egyptian people at the level of the masses. The SLP announces the organization of blood donations, the collection of money and necessary medicine, and the sending of a medical delegation (in cooperation with the physicians' Union and the Red Crescent Society) to save the victims of this brutal aggression.

(4) Mass action to restore the unity of Arab ranks: Desiring to speedily achieve a rapprochement between the Arab states, the congress announces its determination to convene a People's Congress, inviting all of the political

parties and mass organizations in the Arab countries to attend, in addition to the exchange of popular delegations in an effort to attain unity in the Arab ranks in order to confront the dangers facing the Arab nation.

(5) The demand for the convening of an Arab summit meeting in Cairo: In order to remedy the critical situation represented by the broken Arab ranks exploited by Israel in its savage attack on Lebanon and its attempt to liquidate the Palestinian resistance in that land, the congress calls on the president of the republic to issue an invitation to an Arab summit meeting to be held immediately at the Arab League headquarters in Cairo, without preconditions, for an initiative to do what is required in order to confront Israel's contentiousness in the Arab region.

(6) An appeal to halt the Iraq-Iran war: Anxious to avoid the depletion of the strength of the Arab and Islamic states in side-conflicts, and recognizing the need to stop Israel from carrying out its designs in the region, the congress appeals to the two sister states of Iraq and Iran to cease fighting one another and direct their fighting forces to the aid of the Lebanese, Palestinian and Syrian forces in meeting the Israeli aggression.

(7) The need to strengthen the commitment to nonalignment in light of American's barefaced support of Israel: In view of America's barefaced support of Israel in its aggression against the Arab nation, against Lebanon, Syria, and the Palestinian people; in light of U.S. supplies of arms to Israel for aggression; and in light of the U.S.' use of the veto in the Security Council to prevent a resolution for a ceasefire and Israel's withdrawal from Lebanese territory; the Congress recommends that the commitment to a policy of nonalignment be strengthened, and that a balance be restored to Egypt's relations with the superpowers. This requires the exchange of ambassadors between Egypt and the Soviet Union.

Second: In the Area of Democracy and Liberties:

(1) The demand to end the state of emergency: In view of the disappearance of the reasons that were claimed to necessitate the state of emergency, the Congress calls for the necessity for ending the state of emergency and for the immediate release of all people detained and arrested, so that the only ones left in jail should be those who are really going to be tried before a regular court.

(2) An end to the emergency measures: Desiring to see the country return to its natural state, the congress declares the need for an end to all the emergency measures, i.e., those constraints on public and personal liberties and the exercise of democracy, and, similarly, all similar statutes that have invaded the normal laws, e.g., the provision that was added to the penal code restraining religious persons from work in their religious roles, which is regarded as a violation of freedom of opinion, of creed, and of the expression of both in a legal manner. These are among the rights stipulated in the World Charter of the Rights of Man, which is endorsed by Egypt.

(3) A lifting of the constraints imposed on political parties: In support of democracy, the congress asserts the necessity for lifting the constraints

imposed on the formation of political parties, on the activities of political parties, and on membership in them. Political parties should not be repressed and eliminated when their numbers increase with popular support--and not the support of the government. Parties should be controlled democratically, eliminated only by the people, e.g., when a party fails to win a certain minimum number of votes or seats in Parliament. This democratic process will give rise to a government approved by all parties and political factions.

(4) The guarantee of honest public elections: In the past, the authorities have interfered in public elections and falsified the will of the nation. The congress holds the view that the bill proposed by the party chairman be decided quickly. The bill, proposed to the People's Congress, amends the law pertaining to political rights in such a way that the voting records correspond to the actual civilian statistics in every voting district. The bill also calls for voting to be conducted on the basis of personal or family identity cards, and that the voting department be transferred from the Ministry of Interior to the Ministry of Justice, so that members of the judiciary may supervise the voting process.

(5) The demand for an end to voting by party lists on the basis of an absolute majority: The congress is eager to support a democratic order based on a plurality of political parties, not a return to the closed order based on one-party rule. The congress views it necessary to end voting by party lists and absolute majority. This type of voting is decided by the State Council and only the ruling party's list wins the elections. The same applies to the local elections to the People's Congress. The SLP Congress demands that elections proceed according to party lists that are decided by a relative, rather than absolute, majority.

(6) There must be a reexamination of the present constitution: Considering that the present constitution was put in place under the totalitarian order of one-party rule--the Socialist Union--which has since been transformed into a multiparty order; and that changes were amended to the constitution in 1980 in order to achieve specific political goals; the congress holds the view that the matter requires a reexamination of all of the constitution's articles. A constituent assembly should be elected for this purpose. These elections should be free and direct, so that this assembly may complete its task within a predetermined time span of a maximum of 4 months. The congress demands that care be taken in the new constitution's text to provide for a new type of rule in the state based on a separation of powers. It calls for the election of a president, vice-president, and governors through direct voting procedures, and that these officials cease all party activities for the duration of their terms in office. These officials may be reelected for no more than one term. The congress demands that Islamic law be the fundamental source of legislation in the country, and that it occupy a position where it can be put into practice.

(7) Support for the independence of the judiciary and the parliament, and an end to the Office of Joint Prosecutor: The congress supports the independence of the judiciary, which is considered a safety valve of recourse for anyone feeling unjustly wronged or victimized by a crime. The congress views that the Supreme Court and its members should not be joined by any other nonjudiciary members in the execution of their duties. All extraordinary courts

should be closed, including the State Security Court, in order that the judiciary's authority be confined to normal courtroom procedures and be composed only of judges. The congress demands an end to the coupling of the public prosecutor and the joint general prosecutor, to be done by abolishing the latter office. The congress desires that these judiciary safeguards and immunities be extended to members of parliament so as to assure the independence and neutrality of the investigative authorities.

(8) Respect for democratic unions: To avoid the kind of interference that has occurred in the past with the lawyer's union and other unions, the congress finds it necessary to consider the establishment of professional, trade and labor unions and other mass organizations on a democratic basis where they would have authority over their own members, and the right to accept their own members, and have supervision over their activities.

(9) Support for the independence of universities and immunity for their professors: In order to facilitate the universities in the fulfillment of their mission of providing intellectual leadership, scientific progress and being a center for solving the nation's problems, the congress emphasizes the importance of providing intellectual freedom within the universities. There should be established a democratic university association whereby heads of universities and college deans may be elected through voting. These officials should forego party activity as long as they hold their positions so that their decisions might be neutral and without prejudice to any particular group. Similarly, the principle of academic immunity for university professors should be decided so that they not be exposed to pressure or accused of breaking the law.

(10) Lifting of the constraints imposed on student unions: The congress is anxious to instill the spirit of democracy in our youth. Ordinances have been imposed on the student unions which have transformed them into student bodies in name only, unable to be students in fact. These ordinances must be abolished so that university students in Egypt will have the right to have representatives who may speak freely within their own unions.

(11) The election of religious leaders by vote: So as to enable religious leaders to carry out their tasks without being suspected of being under the influence of the authorities, in their recommendations and the guidance they provide, the congress holds the view that the Shaykh of al-Azhar be elected by elder religious scholars (ulema'). This would make his office independent, as befits his religious position within the Islamic world. Similarly religious men of Christian faith have the right to choose their own religious leaders without interference from the authorities. Accordingly, the congress recommends that the government order removing the Coptic patriarch be considered null and void in all its effects.

(12) The removal of government restrictions on the press and the media: In order to attain freedom of the press, which is an instrument for popular supervision, a means for providing members of society with news, and an outlet for citizens to express their opinions and complaints, the congress calls for an end to state ownership of the national press, and for it to be placed under

the supervision of the state council. The congress calls for the abolishment of the Supreme Council for the press. It calls for taking the necessary steps to achieve public ownership of their capital into share to which citizens may subscribe to, with first priority given to the workers and no individual possessing more than a certain number of shares. This ensures that certain individuals won't have more of a say than others. The newspapers will thus take the form of a publicly-listed corporation or a cooperative.

As for the audio and visual media, the congress holds the view that, for democracy's sake, opposition parties should be represented on the Board of Trustees of the Television and Radio Association, so as to allow them to put their opinions into its policy. Also, they should have the right of equal time during general elections. The right should be given to people who perform productive functions to criticize or attack any problem. Also, television and radio workers should have the right to form unions and not be transferred from technical jobs to nontechnical work without their approval.

Third: Concerning Party Affairs:

(1) The party's internal regulations: The General Congress approves the party's internal regulations in their present form, and work should commence starting today.

(2) AL-SHA'B newspaper: The congress notes its appreciation of the endeavors of AL-SHA'B newspaper and the great function it performs. The congress also notes the efforts of the paper's board of directors and its staff of editors in this regard. The General Congress calls for more attention to be paid to the publication of party activities and the endeavors of the party's members, committees and its parliamentary body in the way it has turned the paper into a very good medium for communication between the party's organizations and the masses. Similarly, the congress calls for more attention to the problems and issues of the masses. The congress calls for an in-house party publication to harmonize relations between the committees and the organizations, and to diffuse party directives.

(3) Courses for instruction of party members: The congress recommends the organization of courses for the political instruction of party members.

(4) Documentation and information: The congress recommends the establishment of a department of documentation and information within the party at the central level and at the level of the provinces in order to collect data and bulletins, and to classify and index them according to their subject matter.

(5) The preparation of a book on the congress: The congress recommends that all documents pertaining to the party's first General Congress be printed in a book to be distributed to the masses, and to the committees and members of the party.

(6) The financial report: The congress announces its approval of the financial report submitted by the party treasurer, and thanks him for his efforts in preparing the report and for coming up with the necessary amounts of money to hold the party's activities within the time allotted.

(7) The party chairman's report: The General Congress notes its appreciation of the party chairman's report submitted to the congress and containing all of the stages of struggle conducted by the party since its inception.

May God and the peoples' will grant strength and resolve to conduct the forthcoming stages with success.

Fourth: In Regard to the Economy, Housing and Education:

The congress has issued its decisions and recommendations in the areas of economy, housing and education. The congress has adopted the recommendations presented to it by the studies and research of the General Secretariat to the congress.

AL-SHA'B has published a presentation of these studies and research containing the aforementioned recommendations.

9945

CS0: 4504/400

FOREIGN MINISTER DISCUSSES RECENT ISRAELI INVASION OF LEBANON

Cairo AL-MUSAWWAR in Arabic No 3012, 2 Jul 82 pp 14-16

[Interview with Minister of State for Foreign Affairs Butrus Ghali by Fumil Labib in Cairo: "Egyptian Diplomacy Is Moving To Turn the Military Defeat Into a Diplomatic Victory!"; date not specified]

Text His room in the Egyptian Foreign Ministry stayed lit until dawn came. For 15 days Dr Butrus Ghali, the minister of state for foreign affairs, had been in constant contact with all the capitals in the crisis, all the world's ambassadors to Egypt and all the details of the aggression and attempts to confine the aggression from all sides. Before he flew on an urgent mission to France, I met with him and this was our conversation:

I asked Dr Butrus Ghali, "What is the trip to Paris for?"

He said, "To coordinate with France. France has presented an initiative bearing on the withdrawal and the establishment of international forces which would fly to Lebanon to save that country. France has a special relationship with Lebanon and France has good relations with the Palestine Liberation Organization. In short, France, which has become deeply immersed in the crisis, can create a form of present and future cooperation with us in order to find a solution to this crisis."

I said, "France is part of the European bloc. There are countries in this bloc that are no less enthusiastic than France, such as Britain, or even The Netherlands."

Dr Butrus Ghali said, "We have submitted letters to all members of the European group. A few days before the Israeli aggression against Lebanon and the Palestinian organization was launched, I was on a tour of Europe, with the goal of reviving Europe's role. The letter I submitted to the European group said "Do not think that 25 April, the date of the withdrawal from Sinai, has been the end of the road as far as we go. It will now be necessary to set forth toward new movement, which is to give attention to a comprehensive resolution and finding such a resolution." I was speaking of Europe's duties in two senses. The first was to exert different forms of pressure on the Israeli party by giving humanitarian aid to the Palestinians on the West Bank and Gaza; Europe has been building schools and hospitals and confronting Israel with the fact that it was not honoring human rights in these occupied territories. The second sense was European contact with the American party, to exert pressure on it to proceed toward a comprehensive resolution to the issue."

Dr Butrus Ghali went on to say, "However, Israel surprised us with this 'blow' at eliminating the organization, and Israel thereby blocked off the peace efforts that had

been crystalizing since 25 April. For this reason we again turned to Europe to help us to solve the Lebanese issue and connect it, in the wake of the aggression, to the Palestinian cause, to help us move the issue forward in the light of this new state of affairs or these new variables."

I asked, "Did earlier events give us any indication of the importance of the European role?"

Dr Butrus Ghali said, "While it would be wrong to exaggerate the importance of the European role, it would also be wrong to ignore it. By means of this role, we will be able to influence the American administration and influence Israeli organizations that we are opposed to the Sharonite conspiracy. Our diplomatic work will be active in all directions. We want to turn the military defeat the Palestine Liberation Organization has suffered, in spite of its commendable struggle, we want to turn this military defeat into a political victory, and we have experience in this. Egypt suffered a military defeat in 1956, but Egyptian diplomacy turned that into a diplomatic victory. That is what we must do now."

Confronting the Alliance of the Two Generals

I asked Dr Butrus Ghali, "What are the most important fields in which Egypt can function to achieve this goal?"

He said, "The United Nations."

I said, "Its resolutions become mere ink on paper if they come out of the General Assembly; they come up against the American veto and are not even worth ink or paper."

Dr Butrus Ghali said, "However, the United Nations resolutions are the legal backing for every diplomatic activity. Resolution 242, for instance, is the basis on which the United Nations' movements in confronting Israel were founded. Even if Israel does not honor the resolutions, this puts it in a position where it is pitted against world public opinion, and shrouds it in an isolation from which it suffers greatly. The road we are traveling toward the United Nations might take some time, but international public opinion there is mobilized against the Israeli aggression and against the Israeli position in the Middle East in general, and the takeoff toward further activity starts there."

I asked, "Have contacts of any kind been made with the Soviet Union during the crisis?"

Dr Butrus said, "No. If the Soviet Union had wanted to do anything, it would have done so without contacting us, or our contacting it. However, I have held meetings with the group of socialist countries, including the Soviet charge d'affaires, and I have held meetings with the Asiatic group, headed by People's China. Our activity embraces the various areas of the world!"

I asked Dr Butrus Ghali, "What is Egypt's role in coping with the United States?"

He said, "Egypt has recently played a major role in attempting to weaken the American-Israeli alliance, or, more accurately, to cope with the temporary strategic agreement which was made between the two generals Gen Haig and Gen Sharon. We have so far managed to remove Gen Haig. The two generals are opposed to the peace treaty and the Camp David

agreements which made negotiation the sole means for resolving the dispute. The two generals, besides, resorted to military force to settle the dispute between themselves and the organization; this occurred at a time when the goal of Egyptian diplomacy was to hold a dialogue between the organization and America and between the organization and Israel. We had made progress along that road and it was our hope that after 25 April we could turn the goal into reality, but the military mentality governing the two generals' conduct led them to prefer a military solution to a diplomatic one - which is to be considered a violation of the peace agreements and Camp David. Camp David did not just stipulate a peaceful settlement between Egypt and Israel, it also stipulated one between Israel and all parties in the Middle East. Israel refused to recognize the Palestinian party, refused to negotiate with it, and then used force to eliminate it. These three violations must be remedied. First, we must seek to preserve the Palestinian entity and encourage negotiation between this entity and Israel. Here we can also say that there is now an occupation in the bank and Gaza and an occupation in Lebanon, and we must link the two occupations and the process of political struggle against these two occupations."

The Friend and Embarrassing Positions!

I asked, "A withdrawal from Lebanon could be effected rapidly, and linking the occupation in Lebanon to the occupation of the bank and Gaza might slow down the conclusion of the former occupation."

Dr Butrus Ghali said, "Israel has declared that it will achieve the objectives it had invading Lebanon and will withdraw. Previously, it had announced that it would withdraw from the bank and Gaza after holding onto some bases. Did it withdraw from the bank and Gaza immediately upon making this announcement? Everything takes time; we believe, and the organization now shares our beliefs that it may be possible to pass beyond the barrier of negativism through the process of simultaneous mutual recognition between Israel and the organization. Public opinion may imagine that such a solution will take only a few days, but the real situation is different. Building skyscrapers or nuclear reactors takes 5 years, and if one announces that from the beginning it puts people at rest, puts public opinion at rest, because it makes people capable of waiting and prepared to wait from the psychological angle. Building peace takes time - I am not saying 5 years, because the flame that has been kindled in the Middle East can bring things to fruition quickly. However, we must always remember that if we look at the crisis and the variables in it day by day we will lose our nerve. It is wise to look at the issue in a comprehensive manner and, if at some time we find ourselves in a situation where we are drifting away from the peace process, as we are now, we must resist this drift, rise above it, and turn it into an incentive and a challenge for ourselves. There is no cause for despair. It is the other party's goal to inundate us in despair."

I told Dr Butrus Ghali stated, "We have condemned the American position. What have our contacts with this friend, which is putting itself and us along with it in an embarrassing position, been like?"

Dr Butrus Ghali stated, "We have not hesitated for one moment to call things by their names. However, edginess is of no help in anything. Our task is to benefit from the strong relations between ourselves and America to solve the crisis. America has turned to us to speak to the organization and function as intermediaries between it and the organization. This constitutes an implicit recognition of the Palestinian presence on

its part. America will cooperate with us in the solutions that are being crystallized now. These are urgent solutions, such as stabilization of the cease fire, withdrawal of the Israeli forces to an area 5 to 10 kilometers from Beirut and salvation of the organization. We tell America that its interests will be represented and realized if it commits itself to the following principles:

"There will be no solution to the issue through arms.

"The only solution to the issue is through discussion.

"It is necessary to come up with new ideas in order to give a new impetus to the peace process."

Positions Do Not Suddenly Change!

I asked, "Do new ideas mean that Camp David's role has ended?"

Dr Butrus Ghali said, "I did not say that. Rather, it is Israel that has ignored Camp David. Camp David forces it to withdraw from the territories it occupied and to negotiate with its neighbors for a comprehensive peace, but, after 25 April, after the withdrawal from Sinai, it tried to make the world understand that the withdrawal that took place in Sinai would not be repeated anywhere else."

Dr Butrus went on to say, "One new idea, for instance, is to attempt to deal with the Lebanese issue in a new international framework. We might be able to use this new international framework to deal with the Palestinian issue; while this Egyptian orientation is toward France, we will in the first place be asking the United States to offer new ideas to solve the problem, which has become aggravated and generalized."

I asked Dr Butrus Ghali, "Do you meet with any response on the part of the American administration when you talk about new ideas?"

The minister and doctor said, "Yes, but I must draw attention to the fact that the United States will not change its position suddenly. The Zionist lobby there is now at the peak of its activity!"

I asked, "How did our contacts with the Palestinian organization begin after the aggression?"

Dr Butrus said, "In reality, our contacts with the organization have taken place before the aggression, during it, and after it. It is a well known fact that the organization has its bureau in Cairo, which is constantly engaging in activity, and Sa'id Kamil and al-Dajani have contacted me. They have been resident in Cairo along with a third person, Muhammad Subayh, who came from Beirut in the first days of the aggression, perhaps on the third day, and they asked us to transmit the organization's messages to the other party, Israel or America. In addition to our mediation, we conveyed these messages and started to present recommendations. That diplomatic activity will open the door to a resolution of the issue and a conclusion of the crisis."

I asked, "How did the contacts go after that?"

Dr Butrus said, "Egypt is generous and openhearted. Our offices have been open to them at all times. Dr 'Ismat 'Abd-al-Majid was in New York, contacting me to tell me urgent

things in the wake of contacts between Yasir 'Arafat and al-Tarzi, their representative in the United Nations. Contacts were made between us by every means of communication."

I said, "From people who like to make extremist statements and have been attacking Egypt up to now, even though a large segment of the organization acknowledges Egypt's role, I read a harsh diatribe by Khalid al-Fahum, chairman of the Palestinian National Council, against the proposal for a government in exile."

Dr Butrus Ghali said, "The proposal for a government in exile is an old one; President Anwar al-Sadat presented it 6 years ago. It is an Egyptian point of view and if someone does not like it, that is his prerogative. The days when we responded to attacks have passed. We are now faced with an inflamed situation in which martyrs and innocent people are dying every day. We must give it every minute of our time. I must remind you that Faruq Qaddumi, the chairman of the Political Department in the organization, stated, with regard to the Egyptian idea, that it was premature. He said this calmly, without agitation."

Renovating the Organization Is a Necessity!

I asked, "Do you believe that the organization can rise above the crisis by the same methods it was following before the crisis?"

Dr Butrus Ghali said, "Experience brings maturity to people. In this respect, I can say that the organization acquired new blood after June 1967, and it must acquire new blood after June 1982."

I asked, "Do you mean new blood in the form of faces or in the form of tactics and strategy?"

Dr Butrus Ghali said,

"I mean a renewal which will be in keeping with the stage to come and will give a further impetus to a resolution to the issue. This is up to the organization and the Palestinian people, because we have not tried to impose a view or guardianship, and we will not try to do so. All we are doing, or saying, comes from the premise of our sense of national duty, our historic role and our Arab responsibility."

I asked Dr Butrus Ghali, "On the subject of Arab responsibility, hasn't there been some coordination between Egypt and some Arabs during the recent crisis?"

He said, "We have had contacts, indeed intensified contacts with a group of Arab countries, but they include countries which have asked that we not announce that these contacts have been made."

I asked the minister of state for foreign affairs, "Why did Haig fall? What will happen to Haig?"

Dr Butrus said, "Haig fell because he preferred military solutions. Haig fell because he embraced wrongful strategy, when he considered that the Israeli military would soon be better able to defend American interests in the region than Arab diplomacy would. The fruitlessness of this theory will of necessity be proved in the long run. Haig believed that every issue is a crisis. Diplomacy is the art of crisis management, and therefore he did not take account of long-range solutions which might build peace."

This dispute between Egypt and America became apparent from the time President Reagan's administration came in. Al-Sadatist Egyptian thinking has a long-range, historic view of matters, but Haig looks only at hasty, temporary solutions and does not pay attention to the consequences of these hasty solutions in the long range."

Dr Butrus Ghali then said, "As for what comes after Haig, we must not build extreme hopes on Haig's departure. The mistake Haig committed and led to was to permit the Israeli military to control the course of affairs in the Middle East. That permissiveness allowed Israel to realize its objectives, and Haig realized a future objective through that, which was to get Israel to help him in the coming American presidential elections. Haig was bartering, but he failed. Haig had his ambitions and therefore he left. However, the effects that his mistake left will not be eradicated overnight. I believe that Schultz, the new secretary, will take a more balanced view of the issue, from the standpoint of the balance of forces in the region and from the standpoint of American interests, which Haig ignored, or whose position in the Middle East he evaluated incorrectly, believing it to lie in Israel!"

I asked the minister of state for foreign affairs, "Syria is attacking Egypt, Syria --"

Dr Butrus Ghali cut me off as he was gathering up his papers, and said, "Syria is attacking Egypt; let it attack Egypt. Have you forgotten that we do not reply to attacks, because we have more important preoccupations facing us, and greater problems!"

11887

CSO: 4504/397

STUDY PROPOSES MEANS TO DEVELOP PUBLIC SECTOR COMPANIES

Cairo AL-AHRAM AL-IQTISADI in Arabic No 700, 14 Jun 82 pp 17-19

[Article by 'Imad Ghunaym: "Agreement Has Been Reached To Develop Public Sector; Study by Ministries of Industry and Economy Proposes: National Agencies To Supervise Public Sector; Modifications in Structure of Executive Councils and General Assemblies; Retaining Worker Representation in Company Management"]

[Text] The Ministries of Economy and Industry have completed a detailed study on their viewpoints regarding the method of developing the public sector. This is the issue that has taken center stage in recent months. The study deals with the chronic problems facing the public sector and formulates for these problems practical solutions close to those advocated by the officials of the companies and by the people concerned with public sector affairs.

To develop the public sector, the study, reflecting a government viewpoint, abides by the principle of worker participation in the management of companies and the need to free public sector companies from the restrictions and regulations that obstruct their progress. The study also underlines the principle of separating ownership from management.

The view of both the Ministry of Economy and of the Ministry of Industry, however, is united on the need for the public sector to remain a "government responsibility" in the future. In this regard, the study proposes the formation of several national agencies with the power to supervise, plan for, coordinate and follow up on the public sector companies controlled by the ministries. These agencies are also to represent the state in the capital of the companies and to replace the general assemblies in bringing the companies to account for the progress of their work.

The study bolsters the role of the pertinent minister as chairman of the national agency and of a company's general assembly. At the same time, the study stresses the need to grant full authority to the members of a company's executive board to manage the company's affairs economically. However, the study also proposes the introduction of some modifications in the current method of forming the executive boards.

Generally, the public sector companies, according to the study, will be closer to the existing joint stock companies. The new proposals call for granting the public sector companies most of the privileges enjoyed by the companies

subject to the investment law and for giving the management of these companies enough flexibility to formulate the financial regulations for their workers and to assess profits and positive and negative incentives for the workers.

The joint study, reflecting the opinion of the Ministries of Economy and of Industry, will be presented to the Higher Policies Committee so that it can use the study when the proposed bill aimed at developing the public sector is debated.

Main Principles

The study acknowledges four main principles on which the new development of the sector must be based. The first of these principles is that of the constitutional responsibility of the ministers for the public sector, followed by the principles of the separation of ownership from management, worker representation in management and liberating the public sector companies from all of the shackles and regulations now obstructing this sector's progress.

The study considers the discussions that took place last July in the Consultative Council's Financial and Economic Affairs Committee on the problems facing the public sector a starting point for formulating the bases to develop this sector. The study points out that some of these problems emanate from inadequacy in the organizational and administrative legislation contained in the current law--No 60 of 1971--and the laws amending it. This inadequacy justifies the introduction of fundamental amendments to the provisions of this law. The study attributes the other problems of a financial or economic nature to the policies followed in managing the public sector. This makes it necessary to confront and reexamine these policies in a manner that serves the ultimate goal of correcting the public sector's course and of enhancing its productivity.

The study asserts, however, that before new legislation for operation of the public sector is issued, a serious discussion must be conducted on the sector's problems, especially the problems considered to be beyond its control, that fundamental solutions must be formulated for each problem and that the proper economic climate must be created for operation of the sector's companies.

Product Pricing

The study focuses on several problems facing the public sector and offers specific proposals to eliminate these problems, which include:

The policy of product pricing and of subsidy. The study stresses that the companies' executive boards must be allowed to formulate pricing policy in the light of specific controls, the most important of which is that the sale price cover production cost and realize a proper profit margin, provided that the sale price is not allowed to exceed the price of the imported alternative. Regarding the government subsidy, it must be channelled toward the distribution outlets and away from the production sector.

Competition of imports against local products. The study urges that efforts be exerted to organize and streamline importation so that it is not permitted to import any commodity produced locally as long as the local commodity meets international quality standards and is available in adequate quantities to meet the local demand at reasonable prices. In case the local production is not sufficient to meet local market needs, then importation is to be permitted only within the limits of the demand that the local production cannot meet.

Taxes and customs fees. Both ministries agree on the need for coordination in the sphere of taxes and customs fees and the need to make a distinction between the fees levied on imported products that are fully manufactured and the fees levied on imported raw materials and production requirements and components. The two ministries also agree on the need to reexamine some of the customs exemptions granted to a number of economic sectors so as to give local industry an equal chance with the imported counterpart.

Liquidity problems. The study stresses the need to deal with the problems of liquidity in the financial structures of the companies and to draw up a timetable for correcting the financial conditions that have become a pressure that restricts the companies' activities and saddles them with burdens beyond their control--burdens embodied in the interest costs that fundamentally affect production costs and, consequently, the outcome of the companies' operations. This is in addition to the psychological effect of these burdens on the workers, who feel that increased efforts on their part lead to increasing their company's losses, and the negative impact of the burdens on international financing establishments.

Problem of investments. Efforts must be exerted to secure adequate investments and financing, whether locally or externally, at the right time to carry out the current investment activity plans without delay.

Problems of rules and regulations. There is a need to develop the current laws, rules and regulations so as to eliminate the restrictions imposed on the freedom of the companies, especially the labor, wage, Arab and foreign capital investment and free zone laws.

National Agencies

The joint study by the Ministries of Economy and of Industry considers the responsibility for the public sector a government responsibility, especially in the spheres of planning, coordination and follow-up pertaining to the economic sectors, shouldered in light of the state's economic plan--a plan for whose implementation the government is responsible constitutionally. This is why the study assigns to the ministries concerned the responsibility of supervising the companies within their jurisdiction. The study also gives each ministry concerned the power to formulate specific objectives for each of the companies under its control so that every one of these companies may be brought to account for the goals it attains within a set period of time.

The study also points out that practical experience has proven the failure of the current sectoral system and the inefficiency of the system of technical secretariats acting as a liaison between the public sector and the supervising ministries.

This is why the study proposes the establishment of a number of national agencies to assist the minister concerned in planning for, coordination between and followup over the companies within his sphere of supervision, provided that these agencies refrain from interfering in the executive actions of the companies.

The proposed national agency will act as a representative of state ownership in the companies in which the state is a shareholder. The agency will also assist the companies concerned to overcome any difficulties and problems of a public nature so that they can achieve their goals, though without interfering in the companies' executive affairs in compliance with the principle of the separation of ownership from management.

The powers of the national agency would include:

Formulation of the general plans and goals that achieve implementation of the state's general policy within the framework of the national plan.

Periodic and annual follow-up in production, exportation, marketing, investment, labor and profitability to make sure of the companies' adherence to implementation of the set goals. The agency may also express its opinion on other issues presented by the pertinent minister.

Formulation of policies that guarantee coordination between the economic units and the exertion of efforts to settle any disagreements that may arise between these units.

Conducting technical and economic studies connected with the sector's total activity and with developing the industrial activities within the sector.

In accordance with this proposal, the economic units following each national agency will be defined by a presidential decree. In this respect, the public sector companies can be divided according to the nature of their activity and a study may be conducted on forming large economic units that include a number of public sector companies on the basis of similarity, integration or geographic location, as is the case with a number of successful companies with varied activities and various locations, such as the Egyptian Sugar and Distillation Company.

The executive board of a national agency will comprise a chairman, five members selected from among chairmen of the executive boards of the sector's companies, a representative of each of the Ministries of Finance, Economy and Planning and five prominent and experienced specialists. The study asserts that adoption of the proposal for national agencies does not mean a return of the old system of specialized establishments because the national

agencies will not interfere in the companies' executive affairs unlike the establishments. Thus, the national agencies are considered an outfit assisting the minister concerned to attain the economic development goals.

As for the system of the management of the work within the companies, the joint study emphasizes the need to develop the rules and regulations currently in force in the public sector. Defining the nature of this development, the study proposes that the companies be given the right to draw up their rules and regulations in a manner compatible with the conditions prevailing in each unit and that the current system, which subjects all the public sector workers to the same law, be abandoned. The freedom of the companies will be within general frameworks governing the sector to which each company belongs. These rules and regulations are to be coordinated in order to achieve similarity among them at the level of the sector. In this regard, assistance may be sought from successful experiences in banking, insurance and oil. When formulating the worker regulations, consideration must be given to bolstering the means of supervision over the workers in the interest of production by establishing a highly efficient system of positive and negative incentives and by setting fair wage levels compatible with the work involved to avert labor migration from project to project or from the public sector to the private sector so that the best work force can be retained in the public sector.

The study stresses the need to grant the public sector companies the economic privileges and tax exemptions given to investment companies so as to achieve fair competition between the two sectors and so that the commodity produced by a public sector company will be able to compete with a similar commodity produced by the other sectors. The study also urges that the government share a public sector company be no less than 51 percent if it is decided to increase a company's capital as one of the means for dealing with a flaw in the financial structure.

Company's Executive Board

Regarding the current structure of the executive boards of the public sector companies, each of which comprises a chairman, four appointed members and four elected members, the study says that this situation limits the board's effectiveness and restricts it to the framework of the company's executive action. Therefore, they have nothing new to add within the board. The study demands that this flaw in the executive boards be dealt with by strengthening the board with an adequate number of technically, financially and economically experienced and capable members from outside the company. For the worker representatives to be effective and to contribute to managing a company, it is necessary that they be trained properly and in a way that allows them to participate effectively in the executive board's activities. The study also proposes that the elected executive board members be nominated by the [company's] union committee instead of being chosen by general election in the company so as to avoid the conflicts that arise between union committee members and the elected executive board members.

The development of work in the public sector companies dictates that full and actual authority be given to the companies' executive boards to carry out their activities scientifically and to shoulder the responsibilities of the work, considering that the companies are independent economic units free of any intervention by the central authority. The executive board is considered the sole authority controlling the company's activity and fully responsible for implementing the general assembly's decisions and the state's policies. The executive board will be accountable to the general assembly, regardless of any government rules or regulations.

General Assembly

The study points out the failure of the experience of the general assemblies of the public sector companies in their present form since the enactment of law No 111 of 1975 as a result of the varying levels of their members and their large numbers and of the presence of few outside experts. Therefore, the study proposes that a national agency, considering the number of experts and representatives of the pertinent ministries that it will include, act as the general assembly of the companies controlled by the ministry concerned, with the pertinent minister as the assembly chairman.

The powers of the new general assembly will be to:

Appoint the chairman and appointed members of the executive board on the nomination of the assembly chairman. The assembly may give these members incentive bonuses in case the company attains the set targets.

Relieve the chairman and all or some of the appointed and elected members of the executive board. In such a case, a commissioner or more are to be appointed to manage the company for a set period and until a new executive board is appointed.

Approve the budget, the profit and loss accounts and the distribution of dividends.

Examine the executive board's report on the outcome of the company's activities.

Amend a company's regulations.

Prolong or shorten the life of a company.

Increase or decrease a company's capital. The capital may not be increased unless the original capital is fully paid.

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CSO: 4504/366

FUNCTIONS, PROBLEMS OF REVOLUTIONARY COURT DISCUSSED

Tehran KEYHAN in Persian 18 Jul 82 p 14

[Interview with Canon Law Judge Hojjatoleslam Seyyed Mehdi Tabataba'i]

[Text] Seyyed Khandan, KEYHAN correspondent--Hojjatoleslam Seyyed Mehdi Tabataba'i, the canon law judge of the Islamic revolution court located in the city hall, took part in an exclusive interview and responded to the questions of our KEYHAN correspondent concerning the problems of the Islamic revolution court located in the city hall, the housing problem in Tehran, and the role and competence of this court in solving the housing problem in Tehran. The text of this interview is as follows.

The first question put to the canon law judge of the Islamic revolution court located in the city hall concerned the philosophy behind the establishment and creation of this court and its role after the victory of the revolution in responding to the problem of housing in Tehran. Hojjatoleslam Tabataba'i said: After the victory of the revolution, some responsible and irresponsible individuals in Tehran and its suburbs obtained lands and built on them, which created a disruption in the order of things. Of course, it must be noted that some of the lands obtained presented no problems from a religious or legal standpoint. However, in certain cases, the religious and legal aspects were not taken into consideration. These latter cases are the ones we are concerned with and these have been the causes of the disruption. For this reason, the Revolution Council ratified a single article to prevent these violations and sent it to the Revolution Court.

Also, the Revolution Council, in accordance with another bill which it ratified, considered the investigation of violations and such disputes within the authority of the revolution court located in the city hall.

Hojjatoleslam Tabataba'i added: Based on the legal articles, the investigation of the violations, determination of the violator,

and the proper punishment are within the authority of the revolution court located in the city hall. The amount of damages and fines will be determined by this court and will be reported to the city hall or others. The damages will all be collected by the city hall and in cases when someone's rights have been violated, the city hall will pay the damages in accordance with the legislative note of this bill, mentioned in Paragraph 4 of the above law, from the fund for fines.

Hojjatoleslam Tatataba'i then referred to the function of this court and said: Numerous judges have worked in this court since its establishment in the city hall. Towards the end of the winter of 1981, the position of canon law judge of the revolution court located in the city hall was conferred upon me by the judicial council.

Simultaneous with my appointment to this organization, the Islamic Revolution Prosecutor's Office, headed by our brother Mohammad Taqi Sajjadi, which is responsible for interrogations, investigations, and establishing cases, also began its work. Every case, after going through the primary stages, is referred to the court for decision and a religious and legal ruling. After studying the case and reviewing the statements of both sides in the dispute, the court gives its ruling. Such rulings are announced by the Prosecutor's Office to the proper authorities, including the Ministry of Housing, City Hall, and the organizations for land development, to be carried out.

Investigation of 1,000 Cases

Hojjatoleslam Tabataba'i continued: Since the beginning of my appointment to this organization, about 1,000 cases have been investigated and the religious and legal rulings have been issued and announced to the proper authorities to be carried out. The canon law judge of the revolution court located in the city hall, in response to a question by our KEYHAN correspondent concerning the procedure for the investigation of the cases, said: The investigation of some cases is handled more rapidly than others. For instance, in cases of violations and forced possession where the criminal also openly confesses, obviously, the court will issue the rulings more rapidly. However, in some cases, when more research is required, the religious and legal rulings cannot be issued in one session. Hence, there have been instances when the court has held up to five sessions for one case.

The canon law judge of the Islamic revolution court located in the city hall was asked about the duties and competence of this court and about the kinds of complaints that the court investigates. He said: According to a description, the duties of this court may include all disputes and affairs related to land and housing except for those lands and documents which are

within the authority of the committee for Article 100. Hojjatoleslam Tabataba'i added: Article 100 states that individuals who possess undisputed documents and have also requested building permits but have violated the building permit must be investigated by the committee for Article 100 of the city hall. Concerning the conversion of housing locations into businesses or vice versa, the committee for Article 100 is again the authority. In this connection, orders are given by the committee for Article 100 of the city hall to demolish the buildings or to pay heavy fines and it is not connected with the revolution court of the city hall. Hojjatoleslam Tabataba'i added: I take this opportunity to ask our fellow citizens to refer directly to the committee for Article 100 for cases which are within the authority of that committee and to avoid referring to the revolutionary court located in the city hall in order to avoid wasting both their time and ours.

Hojjatoleslam Tabataba'i was asked about the legal problems existing for the revolution court located in the city hall. He said: There are many problems in this court. For instance, we have a problem in connection with the Supreme Judicial Council. Some of the people have certain objections concerning the rulings which were issued previously by this court in connection with cases which have been examined and have requested a reexamination of these rulings. However, the Supreme Judicial Council has not yet granted permission to us to reopen these cases. Another problem in this organization concerns the Ministry of Housing. This Ministry still acts according to the implementary bylaws which have been determined by the Council of Guardians to be contrary to religious laws, which would make the rulings issued by this court illegal.

Hojjatoleslam Tabataba'i then read the letters exchanged between the Council of Guardians and the Ministry of Housing and added: In this response, the Council of Guardians has clearly stated that it must be acted upon in accordance with the regulations of the Islamic court and the Constitution. However, the brothers in the Ministry of Housing seem to think that only the laws in the Ministry of Housing must be implemented. With this kind of thinking, the existence of the court and its judges is negated. Whereas, in cases of disputed lands, whether the owner is legitimate from a religious standpoint or not, whether there is private or government ownership, or whether the utilization of the land is religious or not, investigations and responses to these questions are the responsibility of the judges and the court. The Ministry of Housing cannot take over the lands without having the authority or religious permit and cannot confiscate them unilaterally in its own behalf. For instance, in a case where the land was revitalized and was inherited, the court determined that this land was built with consideration for the evidence and regulations of ownership and building. However,

in order to transfer it, a permit is required from the Ministry of Housing. Most unfortunately, the Ministry of Housing has not issued a permit even in one case of this kind. Here, there is a question for the honorable minister of housing. Honorable Minister of Housing, if all the lands within and outside the jurisdiction are clear to the Ministry, and in taking and transferring these lands, the Ministry has full authority, then please announce it officially so that we know what the job is of the judicial branch here. Because it seems that the honorable minister of housing considers himself both judge and implementor of the law. In a letter that he has written to the court, he has stated that this court is issuing rulings outside its authority. In another part of his letter, he writes that the court has issued rulings concerning illegal possession and prohibited buildings created on the lands and the Ministry of Housing has been made responsible for issuing documents of ownership. Now, the question is: Who should decide the competence or incompetence of the court? Is the legality or illegality of the rulings within the authority of the executive or the judicial branch? This issue has been raised by someone like myself, who would rather be damaged himself rather than to, God forbid, taint a revolutionary institution, is because I have frequently heard from people who come to the revolution court located in the city hall, quoting the Ministry of Housing, that this court is illegitimate.

Hojjatolislam Tabataba'i continued: In order to resolve the issue of housing and the existing problems, I am prepared to participate in a round-table discussion with the authorities of the Ministry of Housing, which can be televised for the public. But I declare here that this ministry, with its troublesome regulations, is not only unable to solve the problem of housing in the short run, but with this method, they will be unable to resolve this grave problem in the long term as well.

Why do the authorities of the Ministry of Housing not ask the opinion of the people in the streets and the bazaar, people who are very alert and are willing to put their plans and views at the disposal of the executive authorities, although the alert people of Iran know that at the present time, no issue is as important as the war and this issue takes precedence over all national issues.

The canon law judge of the revolution court located at the city hall was asked about the background from which the rulings of the court were issued. He said: Lands were transferred in several ways:

1. Those who transferred the lands to the people were the representatives of the theocratic rule, such as the authorities in the 14 committees of the revolution before the establishment

of the housing foundation.

2. Persons who sold their lands before the ratification by the Revolution Council on the basis of the revocation of ownership over barren city lands (23 March 1979). The reason for the deeds having not been transferred to the buyers by the sellers was that the buyers were indebted to the sellers.

3. Inherited lands and properties which were divided among the inheritors when some of the inheritors sold their shares. As a result of the related offices being closed during the height of the revolution, the transfer of the deeds or divided deeds was not done.

4. At the height of the revolution, in order to disrupt the deposed government, permits were not obtained and in the building in question, they have not committed any wrong doing, according to the views of the experts of the city hall.

5. For faithful brothers who volunteered for the war fronts and who have not received the developmental document for a piece of land, which was their just right according to the law, the organization for land development does not give these individuals developmental permits on the basis of its own regulations; the reason given is that the time period has expired.

6. Philanthropists who have donated land to the government for such things as schools, health centers, hospitals, and mosques, the Ministry of Housing has taken no steps in regards to these transfers.

Most interesting is the case of a hospital in Masjed Khandan, which has a three-story building. Considering the war conditions in the country which require many treatment centers, the Ministry of Housing considers this hospital and its three-story building as a barren land. The Islamic revolution court located in the city hall believes that this land is vital. However, the Ministry of Housing says that this land and the building belongs in the barren category and it has stated that the building must be demolished and the land must be put at the disposal of the government, in other words, the Ministry of Housing. Then, any time it (the Ministry of Housing) finds it necessary, the land can be used to erect housing. It must be pointed out that the owner of the above-mentioned land has even agreed to take step to complete the building and put it at the disposal of the health authorities. But the Ministry of Housing, because of its meddlesome laws and regulations, is handling the problem in this way.

7. Decisions concerning lands which have become government property on the basis of the ownership deeds and have been

revitalized create a sensitive situation. It has been determined that the rights should be given to the owners of such lands in accordance with the law. According to estimates, the government must pay about 1 billion rials to these individuals. This amount, given this situation, is quite heavy.

8. Forced possession, where people have taken over lands without consideration for the owner of the land and the rights of individuals who had certain claims on that land, merely under the pretext of being "oppressed." These lands are both government and privately owned. Based on the regulations of the court, these individuals, which comprise a large number, have been commanded to demolish and some condemned to exile. This is the decision of the court. In conclusion, I must say that if the rulings issued by this court are not carried out, the the Islamic revolution court located at the city hall will be discredited. We hope this issue will soon be resolved in the interest of the deprived and the oppressed. God willing.

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CSO: 4640/410

IRAN

NEW REGULATIONS FOR LEAVING THE COUNTRY ANNOUNCED

Tehran KEYHAN in Persian 18 Jul 82 p 12

[Interview with Deputy for Cultural and Consular Affairs Javad Mansuri, Ministry of Foreign Affairs]

[Text] /KEYHAN Political Service/ [in boldface]: Javad Mansuri, deputy for cultural and consular affairs of the Ministry of Foreign Affairs, announced the new regulations for leaving the country in an exclusive interview with KEYHAN.

According to this interview, the following categories of individuals may leave the country upon obtaining permits and under the announced regulations.

1. Students who have been approved by the Ministry of Culture, Sciences, and Higher Education.
2. Men who have wives who are students and are studying abroad in accordance with the regulations of the Ministry of Culture and Higher Education may receive exit permits along with their male children who are under 18 years of age and female children who are their dependents (the marriage must have been registered officially before 21 March 1982).
3. Women who have husbands who are studying abroad in accordance with the regulations of the Ministry of Culture and Higher Education, with the approval of the above-mentioned Ministry, may receive exit permits along with their male children under 18 years of age and female children who are their dependents (the marriage must have been registered officially before 21 March 1982).
4. Parents of students (both married and single) who are engaged in studying in one of the accredited educational institutions in accordance with the regulations of the Ministry of Culture and Higher Education and with the approval of that Ministry.

5. Individuals who hold residency cards approved by the Ministry of Foreign Affairs.
6. Iranians who hold residency permits approved by the Ministry of Foreign Affairs.
7. Single girls and women whose parents reside abroad.
8. Government officials who are introduced by a minister or an individual whose signature represents the related ministry.
9. Patients, the necessity of whose travel abroad has been approved by the minister of health or his deputy.
10. Drivers who must leave the country to carry passengers across the Bazargan border.
11. Merchants who are introduced in writing by the Chamber of Commerce or the Ministry of Commerce, noting the reason for their travel.
12. Foreign wives of Iranian men who have acquired Iranian nationality through marriage.
13. Iranian men with originally foreign wives along with male children under the age of 18 and female children who are their dependents (birth certificate or documentation of the Iranian identification card of such women must have been issued in accordance with Paragraph 6 of Article 976 of the Iranian civil code and must have been issued before 21 March 1982).
14. Iranian women who have foreign spouses, after the approval of the office for the affairs of foreign nationals in regards to their husbands' absense from Iran, with the cancellation of the residency permit and obtaining of an exit visa, may contact the passport office of the police department in order to take steps for their exit.
15. Originally foreign men and their families, who have in one way or another obtained Iranian citizenship, to visit their families abroad.
16. Foreign men who reside in Iran along with their Iranian wives and male children under 18 years of age and female children who are their dependents, without having their residency permits revoked (their companions are permitted to leave provided the marriage has been registered prior to 21 March 1982).
17. Physicians, with the approval of the Ministry of Health or the Ministry of Sciences.

18. Parents whose children are ill abroad and require the parent's care may receive exit permits, after the illness of their children has been verified by the Ministry of Foreign Affairs.

19. All pilgrimage tours to Syria and other holy places approved by the Ministry of Islamic Guidance (the organization of hajj and pilgrimage).

20. All educational and sightseeing tours to Islamic and Third World countries with the approval of the Ministry of Islamic Guidance (the office of tourism).

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CSO: 4640/410

IRAN

COMMANDER DISCUSSES OPERATIONS IN IRAQ, PREDICTS CONSEQUENCES

Tehran ETTELA'AT in Persian 18 Jul 82 pp 3, 11

[Interview with Colonel Sayyad-Shirazi]

[Text] Colonel Sayyad-Shirazi, the commander of the ground forces of the Islamic Republic of Iran, in an exclusive interview at the Karbala headquarters with Mohammad Reza Heydarzadeh, the dispatched reporter of ETTELA'AT to Khuzestan, explained the consequences of the Ramazan operations, the entry of Iranian forces on Iraqi soil, and the details of the operations and enumerated Iran's future war policies in the region.

The text of the interview is as follows:

Ramazan Operations

ETTELA'AT Correspondent: How did the Ramazan operations start and what are its aims?

Commander of the Ground Forces: In the name of God the compassionate and the merciful. The Ramazan operations began at 2130 hours on 13 July. The operations, which started with the blessing called "Oh Master of the Times, Help Us," are the follow up to Iranian combative operations against the Ba'thist government of Iraq, which have reached a sensitive stage today. The enemy feels that it is about to be destroyed and, through the international conspiracies which were and are being carried out on its behalf, an example of which we see in the expansive aggression of Zionism on southern Lebanon, has undertaken a retreat which was, in fact, a unilateral escape. While it continually announces that it has established a cease-fire, it has opened fire on our combatants on all fronts and there is not one day on which we would not have casualties among our dear ones in Abadan, Khorramshahr, and the border cities.

The sensitivity of this stage of the operations concerns the fact that the enemy naively thinks that by leaving much of the territory that we would have taken by force anyway it has given

us concessions and thinks that in this manner it can respond to the infamous blemish that it has carried out against the Islamic revolution of Iran. Our operations are sensitive because today we have proven to the world that while the policies of our government make certain demands on the puppet regime and party of Iraq, we know that none of the dependent Eastern and Western countries officially recognize these demands. And while for about 22 months the Ba'thist government of Iraq had its aggressive forces on more than 15,000-20,000 square km of our soil, the UN Security Council was never called into session to condemn this aggressor. They never accepted what we rightly said, not even at least in theory or talk, and never questioned the reason the Ba'thist government of Iraq had invaded us.

All we said was that we had declared freedom and independence and we created the Islamic Republic in our country on the basis of our ideology under the leadership of Imam Khomeyni. We only declared that we do not want dependence on the East or the West, that we only want to stand on our own. When such is the case, today, we have the right to say that the Ramadan Operations are being carried out at a sensitive point in time. Therefore, we are doing this in support of what we have said and we are demonstrating that the policies of our government are not like the false policies throughout the world which merely shout and make declarations, because we support what we say with the power that God has granted us, which will increase day by day and will inspire the oppressed people of the world to free themselves, if they wish, from the domination of tyranny and oppression. We have made our move with this inspiration in order to achieve our demands, which have neither been recognized nor fought for by anyone.

Concerning the spiritual dimension of this movement, we see that in following the directives of the imam, we have a duty to stand up against the oppressors and tyrants lest our Islamic government become a nurturer of oppressors while it is being stabilized, organized, and consolidated.

We get this inspiration through adherence to the ideology of the Koran and we shall not only fight the oppressors and tyrants but for this fight we will increase our friends and allies with whom we have ties and unity and who will not be non-Muslims.

Today, the sensitivity of our operations is due to the fact that we are standing up decisively in support of what we have said and we want to get what is our due from the enemy. In the material dimension, we see that we are daily under the fire of the enemy who pretends to have left our country and to be about ready to make peace with us; but we see, on the other hand, that it pours tons of ammunition on our heads obtained through the false treaties which support it.

Hence, in the material dimension of our movement, we must respond to the martyrs with retribution for their spilled blood and for all the damages that have been inflicted upon us, with the destruction of our cities and making more than 2 million of our combatants homeless. I must say that at the same time, our movement will be in conformity with the Islamic movement of Iraq against the puppet government of Iraq. The more successful we are in attaining these goals, the sooner the suffering people of Iraq will be freed from the domination of this government.

This was the sensitivity of the Ramazan operations which were carried out. Thank God, through the directives of the imam of the people--who invited the brave tribes of the shores of the "Tigris" and the "Euphrates" and the suffering people of Iraq, especially in "Basra," to welcome us if we enter their soil and not to interpret it as an act of aggression but to know that we have been oppressed and are trying to retrieve our rights, which are no different from those of the suffering people of Iraq--we have hopes that this unity between the combatants of Islam and the people of Iraq will be established.

Results of the Ramazan Operations

ETTELA'AT Correspondent: What were the results of the "Ramazan" operations in the Middle East and the Persian Gulf regions?

The Ramazan operations have been very costly to the United States. It has announced its concern to the whole world and feels that its interests are being threatened.

As a result, the U.S. satellites, which act in accordance with its wishes and decisions, face our movement and feel threatened. They all feel the threat that their nations will wake up, move against their dependent government and follow the path which the combative nation of Iran has followed.

This psychological situation is being created in the region and with the attainment of the final victory of the Islamic combatants in this imposed war, we will enter a new phase in which we predict the fall of the hollow regimes and governments in the region. If we see today that the evaluations of the dominating rulers of the United States and the evaluations of its "CIA" have turned out to be wrong, it is because they have ignored the spiritual dimension of our movement. They will become aware when it is too late and they will all be overthrown. That will be the time when, with the help of God, the ties among the Muslims will be so strong that a billion Muslims throughout the world will have proven to the world that they were right. It will be proven that God's power is above all powers and if we are to be under the auspices of God's power, to rely on God, to be human beings, to live as human beings, and to make livings as

human beings in the world, then our happiness in this and the next world will be secured.

Entering the Enemy's Soil

ETTELA'AT Correspondent: How do you justify entering Iraqi soil and, at the present time, in what areas of Iraq have the Islamic forces been established?

Commander of the Ground Forces: Our movement follows the aggressors who have inflicted losses and casualties on us. We will not stop until we have put these aggressors, headed by the Ba'thist Saddam, in their place and punished them. Just chasing the aggressors has brought us outside of our borders. We will follow them. When they are no longer there and they have been eliminated, our presence on the soil of a brother country such as the Muslim nation of Iraq will be meaningless. Therefore, at this stage, we have begun the operations and, God willing, we will continue until the ultimate victory. Presently, since the operations are still in progression stage by stage, they cannot be examined and we cannot say where we are and where we are not. What is certain is that I think it will not take long and in a few days, we will strike a more severe blow against the Ba'thist regime of Iraq and we will be closer to the victory that we are expecting.

The Morale of the Iraqi Army

ETTELA'AT Correspondent: What were the losses of the enemy on its own soil and how do you view the morale of the Iraqi army at the present time?

Commander of the Ground Forces: We do not have a precise estimate of the enemy's losses.

Of course, I must say that we have captured more than 700 prisoners, we have destroyed about 70-80 tanks, and we have captured a comparable number of tanks. Since the area of operations is very large, we are constantly thinking of destroying the headquarters and military centers of the enemy as soon as possible. For this reason, we will leave the figures and statistics as they are for the next few days.

Presently, as far as I have examined, the progress of the operations has been relatively good and the enemy's morale is very low. Despite the warm weather, which makes working very difficult, we see that our combatants have high morale. They are restless to attack the enemy and this shows the high morale level of the Islamic combatants.

ETTELA'AT Correspondent: The aggression of the Ba'thist regime of Iraq on our country occurred not only in the south but also in the west. Shall we see the likes of the Ramazan operations in the west of our country?

Commander of the Ground Forces: On all fronts, the Islamic combatants are in a special state of preparedness. However, since a part of the sensitive operations were related to our strategic aims in the south of our country, we followed this path and today we witness the Ramazan operations in the south. But, if the Ba'thist government of Iraq remains in power and our rights are not given us, it will not be long before these operations will expand on other fronts and, God willing, a time will come when we will be able to witness the total instability of the Ba'thist government of Iraq in Baghdad.

Unity of Muslims in the World

ETTELA'AT Correspondent: After the fall of Saddam's Ba'thist regime, what plans will we have to reach Jerusalem?

Commander of the Ground Forces: As you know, our movement is an ideological movement. It is not a movement in which such things as time and place are important or that when we attain a part of our goals we would end our work.

The heat of our movement in combat is directly related with our ideological spirit which will enable the government of the Islamic Republic to be a center and source of inspiration for the Islamic world. Their first inspiration should be their return to and revitalization of Islam. With the resurgence of Islam, that sacred relationship among Muslims will be established and all the conspiracies of the enemy in the region, which we see as a cancerous tumor in Israel, will be destabilized. Then, 3 million Jews will not be dominant over 200 million Muslims in the region.

Therefore, the perspective of our movement is that in proportion to the awakening of the Muslims in the region, we will be at their sides to support them as religious brothers. We will support their movements to obtain the rights they have lost against all these governments in the region that are the puppets of the United States and which protect U.S. interests in the region. God willing, this heat and enthusiasm of combat will naturally remain in this revolutionary people and if we always pay attention to the true leadership of our country, which was established on the basis of theocratic rule, we will come to understand that this rule will be able to play a more effective role day by day in the Muslim nation of Iran. Ultimately, we would be providing the grounds for the global government of Islam under the leadership of his holiness Mehdi. Hopefully, God will increase the life of Imam Khomeyni until that day.

Help of Countries in the Region

ETTELA'AT Correspondent: What will you do if in the course of the Ramazan operations the countries in the region come to the Ba'thist Saddam's aid and send their forces to the battle front?

Commander of the Ground Forces: You know that many conspiracies to stop us have been carried out. Even in our own country, with the economic embargo, they thought that we are merely dependent on modern equipment and resources for fighting, whereas, as time passed and this embargo became tighter, we became stronger and it was proven that our motivation for fighting and what ensures our success is not merely material resources. Instead, they lie in the spiritual dimension which has been created in our country. God has helped us and the enemy has become our best source of supplies and equipment. Today, our army has employed many of the enemy's resources for fighting.

Many efforts were made, especially by the Jordanian king, mostly as a result of his fear, to come to us before we go to him. He sent forces to Iraq to help them in victory. But they saw that no action can stop this annihilating movement of ours. Therefore, they stopped it. And since they had a memory of the military aggressions of stronger governments, such as the United States in Vietnam and France in Algeria, and because of their obvious defeats by the movements of the nations who had risen, today, they no longer want to repeat such bitter experiences. Of course, if they want to repeat them with us, let them come, because they can test themselves on us. This time they will face a nation that fights not only with a sense of nationalism but with ideology and spirituality. Martyrdom is the best key to its movement and it will enter into battle wherever necessary with the weapon of martyrdom. We are witnessing how much glory it has created in the history of Islam.

That is why we are not worried. They are continually attempting to carry out conspiracies, as in Kuwait, through which all the weapons and equipment of Iraq are brought in. One day, they will get an answer to their conspiracies and then it will be too late for them to repent. This is despite the fact that the imam of the people had already warned everyone that cooperating with the Ba'thist government of Iraq would not be in their interests.

We are not worried and if their forces enter into battle against us, since we have made a decision to continue our fight to obtain our rights, no power will be able to stop our movement and with the help of God, as he has promised, we will be victorious.

After the Fall of Saddam

ETTELA'AT Correspondent: The question might be raised by the Muslim nation of Iraq: If the Ba'thist regime falls, will the Islamic forces stay in Iraq or return to Iran?

Commander of the Ground Forces: We cannot predict the future based on what there is. As the imam said in one of his speeches, it is true that we have been dealt material and spiritual blows, but if we are compensated in the spiritual dimensions and our rights are relatively given us, we will forget the material dimension and we are even ready to help.

If the day comes when the government of Iraq becomes Islamic, a government that the people of Iraq want, naturally, we will have nothing to do there and we will even be ready to help to stabilize such a government as soon as possible in Iraq in order to free the suffering, oppressed people of Iraq from the chains of colonialism. However, what is certain is that we are taking care that the government which will be will not be a puppet government. We are fully aware of this point and we are paying attention to it.

Saddam's Request for Help

ETTELA'AT Correspondent: Saddam has claimed that the Iranian forces have put Basra under siege and has asked for the help of countries in the region. What is your view in regards to this claim?

Commander of the Ground Forces: Ultimately, if we want to gain our rights, not only will "Basra" be surrounded, but we might move into Baghdad.

Since we want to get our rights, Saddam can shout for help to keep from losing Basra, but he had better protect himself, because he is what we are after. He must be eliminated and also we must find a land route to Jerusalem in order to prepare the grounds for a war with Israel, which will unite the Muslims. With the help of God, we will be able to accomplish our worldly mission to help the liberation of Jerusalem.

ETTELA'AT Correspondent: Thank you. In conclusion, do you have a message for the Muslim nation of Iran from the Karbala headquarters?

Commander of the Ground Forces: We have always asked God to grant us the opportunity to sincerely carry out our duty and the great responsibility which is on our shoulders in order to enable us to respond appropriately to our combative nation, which has a great share in our war victories and whom we recognize as the

main managers of the war, and to enjoy the support of the people as ever before. We ask them to continue their support and not only never to end the enthusiasm which they demonstrate in the nature of the combatants but to become even more enthusiastic in the war against the tyrants and oppressors. We expect the prayers of the Muslim nation to accompany us so that, God willing, we will complete the final phases of our operation against this imposed war and that it will be a good continuation of the battle against the global oppressors. God willing, with the ultimate victory, God will grant a good reward to the combative people of Iran.

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CSO: 4640/409

LIBYA

OPPOSITION LEADER LAUDS EGYPT, CONDEMNS GOVERNMENT

Cairo AL-AKHBAR in Arabic 25 Jul 82 p 6

[Article by 'Adil Rida: "Secretary General of the National Front for the Salvation of Libya Declares That Egypt's Moves To Resolve the Lebanese Crisis Are Being Made Intelligently and Responsibly"]

[Text] Dr Muhammad Yusuf al-Muqaryaf, secretary general of the National Front for the Salvation of Libya, made a special statement to AL-AKHBAR in which he praised the intelligent responsible moves Egypt is now making to find a reasonable solution to the Lebanese crisis that will guarantee that the demands of the people of Lebanon and Palestine are met. He also stressed the inevitability that the Palestinian resistance would triumph in its just struggle, however long it may take and however great the elements of confrontation may become.

Al-Muqaryaf condemned the defeatist attempts some Arab capitals, foremost among them Libya, are making to serve the schemes of some major powers hostile to the Arab struggle by calling on the resistance to commit collective suicide. He described this appeal as a new affirmation of Col al-Qadhdhafi's treachery and insanity and an abandonment of national responsibility in critical, crucial moments.

Al-Qadhdhafi's Record

Dr al-Muqaryaf said, "Al-Qadhdhafi's record, over the years of his rule in Libya, is full of evidence and proof that mark him and make him guilty of conspiring against our Arab nation, its seminal causes, and its causes of internal stability, solidarity and development." He said, "The Arab people cannot forget al-Qadhdhafi's suspicious role in the October 1973 war when he alone proceeded to cast doubts about the October war victories, repeating everything Israeli propaganda organs were stating in a vindictive assault on every Arab victory. Nor will the Arab people forget that at a time when he was still making a pretense of offering support and backing for the Palestinian cause, indeed of going to extremes in offering this support and backing, his actions and policies in this regard were diametrically opposite. This was embodied in his fluctuating, disturbed relations with the Palestine Liberation Organization, his flagrant, constant interference in its internal affairs, and the withholding of adequate financial support from it."

His Arab Positions

Al-Muqaryaf said, "Al-Qadhdhafi's position regarding Iraq, in its war with Iran, has been the same. He stood alongside Israel in supporting Iran and supplying it with weapons and money against a Moslem Arab people.

"In addition to that, al-Qadhdhafi has pursued a policy of exporting conspiracies and terror and provoking strife within the African continent. Not a single Arab or African country has been spared or saved al-Qadhdhafi's calumny, conspiracies and crimes. There are examples in Egypt, the Sudan, Chad and elsewhere."

Al-Muqaryaf concluded his statement by stressing that it was inevitable that the Libyan people would determine to confront al-Qadhdhafi's tyranny and rule and demanding that all Arab and African countries not let themselves be deceived about al-Qadhdhafi and his pacts and promises or allow him to come out of the isolation he is experiencing. He urged the Arab and African countries to boycott the African summit conference if it is held in Libya, since that will be only an extension of his conspiracy against the African continent and a blow against Arab-African relations.

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CSO: 4504/442

GOVERNMENT SEEKS RECRUITS FOR ARMED FORCES, SPECIAL UNITS

Tripoli AL-FAJR AL-JADID in Arabic 22 Jul 82 p 4

[Article: "Declaration of the Acceptance of Volunteers for Armed Forces, Commandoes and Paratroops"]

[Text] Proceeding from the principle that defense of the nation is the responsibility of every citizen who is able to bear arms, in order to advance the day in which the people are armed, the office of the chief of general staff of the Libyan Arab armed forces declares the acceptance of people volunteering to perform military service and calls upon the young people of the great first [of September] to come forth and receive the honor of belonging to the armed forces by volunteering for the ranks of the armed forces, commandoes and paratroops. The declaration also sets out the conditions for acceptance, the sites of committees, and examination dates in accordance with the following announcements:

Declaration of the Acceptance of Volunteers for the Commando and Paratroop Forces.

The office of the chief of general staff of the Libyan Arab armed forces announces the acceptance of volunteers to the commando and paratroop forces.

It calls upon the young people of the great first to come forward to receive the honor of belonging to the armed forces, proceeding from the premise that "defense of the nation is the responsibility of every citizen who is able to bear arms," and advancing the day in which the people are armed.

A. Conditions of acceptance:

1. The volunteer must be a citizen of the Libyan Arab Socialist People's Jamahiriyah.
2. He must not be less than 17 or more than 30 solar calendar years of age.
3. He must successfully pass the medical examination.
4. He must not have been convicted of a crime or misdemeanor prejudicial to honor, unless his good name has been restored to him.
5. He must not be married to a non-Arab woman.

The volunteer must have the following papers in his possession:

1. A new birth certificate.
2. A certificate of innocence of criminal records.
3. A copy of a family booklet or identity card.
4. Four pictures measuring 4 by 6 centimeters.
5. The address in full.

Dates and places for medical examinations:

Headquarters of the Medical Company, Tripoli, Airport Road, starting 24 July 1982.

Headquarters of the Medical Company, Benghazi, Airport Road, starting 24 July 1982.

Headquarters of the Medical Company, Sabha, Airport Road, starting 24 July 1982.

The volunteer will be subject to all the laws and statutes in effect in the armed forces. Refer to the Organization and Management Authority for all further explanations.

Declaration of the Acceptance of Volunteers for the Armed Forces

The office of the chief of general staff of the Libyan Arab Armed Forces announces the acceptance of volunteers to perform military service.

It calls upon the young people of the great first to come forth to receive the honor of belonging to the armed forces, proceeding from the principle that "defense of the nation is the responsibility of every citizen who is able to bear arms," and advancing the day in which the people are armed.

Conditions of acceptance:

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1. A new birth certificate.
2. A certificate of innocence of criminal records.
3. A copy of a family booklet or identity card.
4. Four pictures measuring 4 by 6 centimeters.
5. The address in full.

Dates and places for medical examinations:

Headquarters of the Tripoli regional conscription committee, as of 24 July 1982.

Headquarters of the Benghazi regional conscription committee, as of 24 July 1982.

Headquarters of the Sabha regional conscription committee, as of 24 July 1982.

Headquarters of the al-Bayda' regional conscription committee, as of 24 July 1982.

Headquarters of the Darna regional conscription committee, as of 24 July 1982.

Headquarters of the Gulf regional conscription committee, as of 24 July 1982.

Headquarters of the Misuratah regional conscription committee, as of 24 July 1982.

Headquarters of the al-Zawiyah regional conscription committee, as of 24 July 1982.

Headquarters of the Gharayan regional conscription committee, as of 24 July 1982.

Al-Jifrah, site of the Hun central hospital, as of 24 July 1982. al-Kufrah, site of the al-Kufrah central hospital, as of 24 July 1982.

The volunteer will be subject to all the laws and statutes in effect in the armed forces. Refer to the Organization and Management Authority for all further explanations.

11887

CSO: 4504/442

REACTIONARY, ANTISOCIAL NATURE OF CURRENCY BLACK MARKET REVIEWED

Tripoli AL-ZAHF AL-AKHDAR in Arabic 19 Jul 82 p 13

[Article: "Returning to the Subject of the Black Market"]

[Ext] The newspaper AL-ZAHF AL-AKHDAR, "the road to the era of the masses," referred to the subject of the departure of tens of thousands of Libyan Arabs on tourist excursions to countries in Europe and Asia every month pointing out that administrative departments fail to take into account that these people are exposed to enticements and efforts to suborn their consciences on the part of certain foreign embassies which have made it their basic concern and prime motive to pursue the movement of Libyan Arabs domestically and abroad, seduce them, implicate them in the net of their intelligence services and mobilize them for purposes inimical to the power of the people and the revolutionary movement in the Arab, African and international contexts because of the substantial drop in the amount of money they are permitted to change into foreign currency when going abroad.

When we pointed that out, it was no secret to us that the people's committee had based itself on financial facts which it had confirmed through figures on the number of people taking trips each year. Their numbers, in 1981 for instance, came to 98,917 people, that is, close to 100,000 citizens, each of whom exchanged all their annual entitlements of 300 Libyan dinars in addition to local currencies of no less than 20 dinars and some other sums of foreign currency, which were exchanged through secret transactions, "the black market." For this reason the people's committee strove to reduce the load on society's budget by reducing the amount of annual entitlements as much as possible.

While the justification holds some validity, and one cannot ignore it, the issuance of decrees on this sort of matter must take a number of factors into account. First of these is why aren't the activities of pointless trips limited?

Why don't we make citizens participants in the framing of such decisions? In fact, why aren't they the full decisionmakers, since their popular powers have guaranteed them this?

Then the adoption of a material decision like this raises a general question, which is, is this decision being taken in accordance with a scientific study of the traveler's needs and the nature of the country being visited, or is the decision just a stroke of caprice?

Has the general people's committee been able to convince citizens that everyone is equal before the law?

Or are there still people who are restricted by the maximum at a time when there is no minimum on what others can exchange from society's budget?

In a mass society, the masses must be persuaded, in practice, that they are as equal before their legislation as the teeth of a comb; it is they who have formulated the legislation and they who have permitted no exceptions on the basis of administrative status or muscle!

Why is no distinction made among the purposes of trips, the types of visas and the amounts of currency it is accordingly permitted to exchange?

The amounts allowed are not enough, for instance, for a person who is traveling for medical treatment to get a preliminary examination in the most minor of the capitalist clinics that are scattered all the length and breadth of Europe, and meanwhile we are not fighting the blockade of our Health Secretariat to enable it to raise the level of treatment inside the jamahiriya and give it a better reputation.

We cannot justify the conversion of millions of dinars to be spent in the bars and brothels of Europe, but we should not seek to discriminate among the members of society and take the tendency to adopt haphazard decisions without prior study.

That is just an explanation, lest the black market in our country expand and lest we build a bridge which weakhearted persons can pass over to become enmired in the swamp of treason and trafficking in society's money.

Let our decisions be at a responsible level and let our conduct be far removed from excitability. If we adopt a decree limiting the amount of money that can be exchanged legally in banks, is a mere decree enough to put an end to the black market that arises as a result?

Let us ask the general people's committee where the money the black market merchants deal in came from, since the committee has undertaken to disburse just 300 to each person taking a trip.

Where do the people coming back from their trips get the money for the tons of clothes, appliances and gold they bring back? We are not so ignorant as to believe that this amount is enough for a "Libyan" promenade in Rome or Paris.

We must realize that as long as we allow people to travel, having given out more than 50,000 visas in the first 5 months of 1982, and then keep these people from getting adequate amounts of money, then we will be exposing ourselves to a broad question:

That is, what will these people do, other than turn to the black market?

If we prohibit the granting of visas and do not allow people to travel, citizens will then have no need for foreign currency. In the past we never hear of ordinary markets selling for dollars, or stores selling for francs.

However, as long as we make travel permissible and legal, let us deal with its consequences. Why shouldn't that be the object of discussion by the people's conferences?

11887

CSO: 4504/442

BERBER OPPOSITION EXAMINED

London AL-DUSTUR in Arabic No 240, 28 Jun 82 p 27

[Article by AL-DUSTUR's correspondent in Rabat: "The Moroccan Government Puts a Stop to the Mocking of Values: Who Is It That Is Calling Upon the 'Berbers' to Secede From Morocco?"]

[Text] The name Ahardane is nothing new to the Moroccan public. Also, being arrested is nothing new to Ahardane himself. Ahardane was arrested before Moroccan independence because of his participation in the national movement and because he supported independence. Then he was arrested during the years following the establishment of independence because he was accused to attempting to destroy this independence and establish a movement which was described as a rebellion. Ahardane had to spend many long years gaining experience and engaging in underhanded dealings before becoming one of the pillars of the regime in Morocco. He then became minister of state in charge of cooperation, deputy prime minister, and prime minister on several occasions during the absence of [the regular] prime minister. But the Ahardane who was arrested on 10 June of this year was not this same Moroccan politician. It was, strangely enough, his son Ouzzine Ahardane. Could it be that political agitation is another thing which is hereditary?

We have seen political activity become hereditary in Lebanon, for example, where Walid Junblat inherited his father's position of political leadership. This also happened there with the al-Jumayyil and Sham'un families.

However, when this sort of inherited activity took place in Morocco, in the case of the Ahardane family, it aroused a great deal of annoyance among the Moroccan public. In fact, there was a certain gratification of a thirst for revenge when Ahardane's son was arrested.

The judicial police in Rabat arrested young Ouzzine Ahardane, who is the managing editor of the magazine AMAZIGH which has been published in French for the last 2 years.

Those who read this magazine could not avoid nervous tension or prevent their mental disapproval. Ever since the magazine has first been put out, it has insistently and provocatively persisted in attacking Arabic as a language and the Arab identity [of Morocco] as a commitment.

No one--not even those who gave the order to arrest the magazine's managing editor--believes that this very young man has any connection at all with politics or with climbing the rugged mountain, which overlooks the creation of a type of ethnic distinction in Morocco. Most of what is written in this magazine is written by those who most prominently support the Berber cause in Morocco, the most important of these people being Mahjoubi Ahardane himself--one of the top ministers in the government. His wife also writes for the magazine, and so do a number of other young intellectuals who see for themselves a bright future within the framework of a Berber Morocco. This is the thing which arouses the annoyance of the overwhelming majority of Muslim Arab Moroccans. When the government recently decided to arrest the--nominal--managing editor of this magazine, it touched a sensitive nerve in the body of Morocco.

On the one hand, those who follow politics in Morocco know that Ahardane, after failing to rally to his cause the elements of the Popular Movement--which is the third [largest] party in Morocco--and after failing to obtain a parliamentary majority, chose a more dangerous path. He expected that a large number of followers would join him, and in the course of pursuing this path he distanced himself greatly from the path followed by his son in order to guarantee that he would maintain his position of power in the government. This was a type of Machiavellianism which led most of the Moroccan newspapers to stop writing about him, for the sake of maintaining the solidarity of the government. When people stopped criticizing the magazine AMAZIGH, Ahardane senior was not able to stop the rapid decline of the appeal against the Arabic language which was being published in "his son's" magazine. Then he went too far in his "plan" and decided to publish an Arabic edition of the magazine, the task of which would be to attack the Arabic language by means of an Arabic-language magazine, after the main characteristics of his philosophy had been wholly adopted by many young Moroccans who did not realize the danger of this Berber propaganda and its racist dimensions.

In addition to this, the reaction on the part of the Moroccan masses is explained by the fact that Ahardane's appeal is tantamount to a knife being stuck into the wounds of the Moroccan people--who are fighting to maintain their territorial unity--by the Berber collaborator whom the French imperialists in the forties wanted to use to carve up Morocco. At that time he called for the establishment of a Berber nation alongside the Moroccan nation. This was the cause of the first national demonstrations in Morocco in which many martyrs were killed. During these street demonstrations the martyrs were saying: "God does not differentiate between us and our Berber brethren." The man who led the demonstrators was the late Allal el Fassi, the founder of the Istiqlal Party which today participates in the government and the parliament alongside Mahjoubi Ahardane. Thus the arrest of Ahardane junior is an important point underlying an even more important question, and supplemented by two broad lines:

1. There has been a strange coincidence involving Berber appeal both in Algeria and in Paris, and events which resulted from Berber propaganda in Algeria are still having their effect. It is in Paris that Hocine Ait Ahmed has been calling for armed Berber opposition to the government in Algeria, and it is in Paris that Alain Savary, the French minister of national education, announced that, beginning with the next school year, quasi-ethnic regional languages will be taught in all of France's schools. What this means is that languages with similar status to berber will be taught in French classrooms, at all levels of education. The French educational curriculum will now be including courses in Basque languages, called ESKUARA, and the Breton language, called (skul frayskh). This innovation is considered to be typical of the socialist government which does not cease to surprise the French people with its decisions which are being met with indignation. This is also being done to satisfy the personal inclinations of the French minister of education, since he himself is of Breton origin. When the French situation is compared with Ahardane's cause in Morocco, we find the magazine AMAZIGH, in its latest--and perhaps last--issue, calling for the application [in Morocco] of the policy decided upon by the French government. Though the French people, who possess a high level of understanding and awareness, may be utilizing the teaching of regional languages only as a cultural tool, this service if offered to the Moroccan public opinion, in the view of those concerned in Morocco, would be tantamount to feeding a bowl of meat to a new-born baby.

2. How far will the investigation go with the arrested managing editor of the magazine? Will Ahardane senior rush to absolve his arrested son of all guilt, and consequently reveal his responsibility for everything published by the magazine by virtue of the fact that it is an expression of his views?

This might impel the current Moroccan government to make a decision which might put an end to its harmony.

9468

CSO: 4504/409

COMMERCE MINISTER DISCUSSES DEVELOPMENT PLAN, OBJECTIVES

Khartoum AL-AYYAM in Arabic 22 Jun 82 pp 4, 5

[Interview with Minister of Cooperation, Trade and Supply Faruq Ibrahim al-Maqbul by Babakr Abu al-Dhahab: "The Economic Program Has Succeeded in Setting Forth Foundations Which Have Inspired Many People's Interest"; date and place not specified]

[Text] Four years have passed since the declaration of the economic concentration and fiscal reform plan in May 1978. During this period, which, by all standards, is to be considered the central period in the Sudanese economy, a number of executive measures were taken which have had a direct and indirect effect on the daily life of the citizen.

Although the program met with broad interest from all elements of the Sudanese people, questions on the economic problem, its nature, the measures which were adopted, ways to extricate oneself from the problem and others, are still being raised in various circles.

In order to learn about the nature of this problem, we held the following discussion with Mr Faruq Ibrahim al-Maqbul, minister of cooperation, trade and supply. The man has the status of an economic school, as well as the fact that he held the position of minister of state for finance and economic planning during the period of the study, preparation and proclamation of the economic concentration and fiscal reform program.

His excellency dealt with the problem in all its dimensions, the measures which have been carried out for the sake of reform, and the positive features which have been achieved so far.

The discussion with his excellency also dealt with the subject of high prices and general imports policy, in addition to everything that has been raised regarding current policy on the distribution of main commodities in the capital and the relationship between commercial policy and local industry. Let us proceed with the discussion.

The Economic Problem

[Question] People are talking a great deal about the economic problem, and this issue has constantly been raised on a number of occasions. What is the problem?

The minister replied,

"In reality, we, like other developing and advanced countries, are facing a number of economic difficulties whose causes might be domestic or the result of interactions in the international economy in which we do not have a hand.

"For example, we must all remember that we started intensified development in the mid-seventies and the decision was taken to consider that development is the means to get rid of the problems of poverty and satisfy citizens' needs.

"Development in the Sudan does not mean the establishment of productive projects alone. It means the establishment of infrastructures such as roads, energy, communications and transportation in a vast country which did not experience great volumes of investment in the past.

"Consequently we have started to make massive investments whose volume exceeds everyone's imagination. These have not been in keeping with our domestic savings or the volume of money flowing in from abroad. In spite of our paucity of revenues, we have followed the program of intensifying investments in all areas, whether in the construction of economic structures or productive projects.

"Naturally the experiment has entailed many positive features and of course we have faced many negative ones.

"Owing to the paucity of revenues, officials during this period resorted to indebtedness to the banking system to create additional local revenues. They also resorted to foreign indebtedness to create revenues to finance the hard currency components of these investments.

"A rise in the rates of inflation, an abnormal increase in demand for goods and services, scarcities, long lines and protracted shortages resulted from the expanded indebtedness to the banking system.

"Of course the foreign indebtedness has created debts that have to be paid, and these have come to more than \$5 billion, as our brother the minister of finance has declared.

"It was necessary to review this expansionist policy, it was necessary to evaluate the situation, and it was necessary to devise policies which would restore internal and foreign balance to the domestic economy, help reduce the rates of inflation, solve the masses' problems by providing necessary commodities and basic services, and absorb the available surplus cash in the citizens' possession. We must point to a basic fact, which is that all developing countries that have decided to start development at high rates must face this sort of problem and must innovate corrective policies to remedy these problems at some stage.

"Let us not forget, either, that the start of investment in the Sudan was accompanied by a rise in oil prices, a rise in the inflation rates in the markets we deal with and a wave of recession and increased employment rates; these have undoubtedly had an effect on our export capacity and increased our import bills, and that has had a negative effect on foreign accounts.

"While we are talking about foreign accounts, we must innovate policies which will restore internal balance in a way that will be reflected positively on the foreign accounts. This is a fixed economic view, since we cannot have a deficit in domestic transactions and expect equilibrium in the balance of payments."

Reform Policies and the Goals Which Have Been Achieved

Question: If this was the problem, what policies have been followed to correct it? What is your appraisal of the goals which have been achieved?

His excellency said,

"Of course we all know that the reform started in May 1978 when the economic concentration and fiscal reform program was announced, then followed by other programs, the latest of which was the basic program for economic revival, which is to be considered an advanced step of the first program.

"This program included the following general bases:

"1. An increase in revenues and a reduction in spending, in other words the creation of real surpluses in order to finance investments and services, to arrive at internal balance.

"2. A reduction in reliance on borrowing from the banking system and recourse to this borrowing within limits that are compatible with increases in national product.

"This must also lie within the context of the attainment of internal balance, the reduction of inflation rates and the reduction of domestic demand.

"3. The refusal to enter into new projects, in order to reduce additional commitments, the completion of existing projects, and emphasis on solving problems related to such basic production sectors as energy, transportation and communications.

"4. Use of idle capacity in the sectors of industry and agriculture, with the objective of increasing production and the supply of goods, not just for domestic consumption but also to create an export surplus.

"5. Pursuit of a flexible foreign policy to increase the supply of goods in order to arrive at a solution to the masses' problems and get rid of bottlenecks.

"Consequently, the program, in brief, was aimed at increasing production and raising real national product growth rates.

"It had the goal of combatting inflation and reducing the rates of annual price increases. It had the goal of reforming foreign accounts and creating new foreign currency revenues.

"To achieve these goals, the economic strategy, which in my opinion is clear, included the following:

"1. Creation of a realistic price policy to guide consumption, provide incentives for production and help in focussing the growth of the domestic economy on increased exports and consequently increased foreign currency revenues which could be used to solve the problems of production, on behalf of greater production and the increased flow of goods into the market, which would help stabilize domestic prices.

"2. Pursuit of a sound financial and fiscal policy which would help reduce spending, limit unnecessary expansion in the money supply and reduce recourse to the creation of illusory revenues by means of indebtedness to the banking sector - in other words, the printing of money at rates in excess of the real increase in national product.

"3. Attainment of a realistic exchange rate for the Sudanese pound and liberation of domestic and foreign trade from monopolistic restrictions and bureaucratic control.

"These are the corrective policies which were adopted. Economists might differ on the positive features which were realized, as they occupy different schools on that. I do not deny that the experiment entailed negative features, like any economic policy that is applied in any developing country.

"However, in spite of the application, or the commencement of the application, of a project to rationalize and organize jobs in the first year of the program, and its completion in the second year, the financial burdens that were added and the additional demand that was created, I believe that the program was a success in basic areas which have become accepted and have started to be the object of attention and discussion. Of these I might mention:

"First, one must pay attention to the rate of growth of the money supply. In other words, it is necessary to attain a rate of increase that is in keeping with the real growth in the domestic economy.

"We actually succeeded in reducing this rate from 44 percent in 1976-77 to 21 percent at the end of the fiscal year 1979-80.

"The rate increased by stages as a result of structural reforms and the modification of the exchange rate to 50 percent.

"We then restored equilibrium, and the money supply registered an increase at about 19 percent in the period from July 1981 to March 1982; by the end of the current fiscal year it is supposed to come to about 22 percent, which shows attention to the need for reducing reliance on the banking system which the program has emphasized.

The Classical Theory of Modifying the Exchange Rate

"Second. The second effect of the program is that we have extricated ourselves from the exchange rate complex and the principle of refusing to touch the rate. A prominent aspect in money policies up to 1978 was to refuse to modify the exchange rate and to resort to subterfuge to remedy the situation by imposing extra taxes on revenues.

"I believe that it was necessary, for the sake of healthy economic activity, to adopt this corrective measure and to rid oneself of this complex.

"I agree with some economists who point out that the classical theory of modifying the exchange rate might not be of benefit to a developing country which produces agricultural commodities that do not possess adequate elasticity and do not affect the consumption of inelastic imported goods.

"This statement is correct, but in my opinion one should review exchange policy by viewing it as an instrument for increasing production — in other words, even though we do not have influence over international prices, local currency revenues from production should rise as a result of a modification in the exchange rate which would consequently provide an incentive to increase production.

"For example, the price of a unity of \$100: when the price of a dollar is 50 piasters, the revenues will be 50 pounds, but if the exchange rate is modified to 90 piasters the value of \$100 will be 90 pounds. Consequently, if the producer feels an improvement in his income, that will be an incentive to increase production.

"As regards imports, there is no doubt that there is room to guide consumption, especially if correct fiscal and monetary policies are pursued which will reduce the volume of cash available within the domestic economy. In addition, there are positive effects on the selection of different types of profitable investments for the domestic economy.

"Third, the assumption that some people make, that the program is concentrated on the exchange rate policy alone, is not correct. Rather, as I mentioned above, the exchange rate resembled an instrument for increasing production, but the focus of the program concentrated on structural reforms to increase production.

"For example, reconstruction programs were started in agricultural and industrial projects because we cannot complain of a deterioration in production, continue to expand production and increase the complexity of the problem without devoting attention to the real reasons why production in the al-Jazirah project, the Blue or White Nile projects, or the sugar projects has declined. Therefore it is one of the virtues of the program that concentration was placed on this aspect and that programs were initiated to redevelop these projects so that it would be possible for us to benefit from the resources available for increasing production."

We Cannot Say That We Have Carried out the Program Set forth

His excellency went on to say:

"I would like to state that we cannot say that we have carried out the program that set forth unless we complete the structural reforms that are underway and complete the projects we have started, and that will take time. We cannot say that we can complete these reforms in a single year; rather, the results of the program will appear when the structural reforms which I was talking about are completed and we start actual production, and consequently they will help improve current accounts, by functioning as a means of self-reliance.

"In addition we cannot evaluate the program and its positive effects before we have completed the reform. That in my opinion is real development.

"Fourth, the program has also helped get rid of the complex of subsidies as a means for offering each commodity at its true price and consequently giving citizens the freedom to choose and organize their consumption in accordance with their income, while reducing the expenditure column in the general budget.

"In brief, these are some of the positive elements the program has achieved, that is, setting the approaches in their proper course and boldly addressing the economic problems.

"I am not saying that the goals have been fully realized. The program has met with many modifications in the course of the past 3 years, and there is much that we have to do in order to extricate ourselves from the emergency problem facing our economy, which is an easy problem in comparison with those facing many countries.

"Let us not forget, either, that during the period of the program we faced many foreign problems such as the rise in oil and sugar prices in the second year of the program and the continued increase in the inflation rates in our main markets."

The General Organizations

Question: Your excellency, in regard to structural reforms, you have not addressed yourself to the issue of the general organizations and the contribution they must make to the program.

The minister replied,

"One of the first studies made in 1978 was a joint study with the World Bank on the state of the general organizations in the agricultural processing, service or trade sectors and the reform of these organizations.

"The study produced specific approaches which the Council of Ministers discussed, presenting specific recommendations on reform. I will focus my discussion on the trade sector.

"The General Commercial Sector Organization and its branch organizations were eliminated. They have been eliminated, and we have established four commercial firms so far which have been registered under the Law on Companies and operate like any company in the private sector. They are the al-Jazirah Company for Trade and Services, the Kordofan Company for Engineering and Trade, the Kuwaitrid Company and the Kartoum Company for Trade and Shipping.

"Although the experiment is no more than 2 years old, there has been a radical change in performance. The companies have been given full freedom to function under the management of an independent board of directors without unnecessary intervention from the competent minister, so that there will ultimately be accountability. In my opinion, the experiment with the companies has been a success not only in realizing profits or payment of taxes; it has also helped to stabilize prices, provide goods, and resist shortages; indeed, it was a basic factor in getting us out of the supply crisis.

"For example, the method the al-Jazirah Company followed in distributing commodities to more than 600 shops in the tripartite capital has proved its success.

"The commercial section of Kuwaitrid, Kurdufan and Khartoum helped provide numerous basic commodities.

"I stated from the outset that these companies' survival will depend on their actual contribution to social profitability and private profitability, and any company that does not realize these goals will be eliminated.

"We are closely watching these companies' performance in spite of the great discrepancies that have accompanied the experiment. This is a new experiment which has brought broad scope to the concept of commercial activity in the public sector, breaking down all the restrictions which went with the commercial organization experiment."

The Figures Our Exports Have Recorded Are Far Short of Our Aspirations

Question: Revenues from our exports have recorded a rise in the past 3 years, including this one. We would like to become informed about foreign trade's role in the program and the successes that have been realized in this regard.

The minister replied,

"As I mentioned previously, foreign trade is the focal point of the stipulated growth. Exports are the real source of foreign revenues and are the real source of self-reliance, since foreign aid is nothing but a contribution, not a permanent source; with contributions from foreign trade and our export capability, we can acquire various investment, production or consumption commodities.

"With respect to exports, we have adopted many policies which will help increase production. Among these, we have declared a clear policy which will allow any capable, responsible source to export any available surplus without resorting to unnecessary periodic changes which will exacerbate the lack of continuity in the flow of our products or our foreign reputation.

"Then we eliminated the monopolies and opened the door to free competition. Our policy has also been concerned with the producer, by announcing lower prices that are feasible for main crops in order to protect the farmer and guarantee him a reasonable income which will give him an incentive to increase his production, since pricing policy is the means to attain abundance notwithstanding the consequent rise in prices to the consumer.

"There have also been constant contacts abroad in the bilateral or group contexts to increase exports. However, let us not forget that increasing exports will require that increased surpluses be available to the foreign market. Also, there are vicious foreign factors which we must cope with now, such as a deterioration in the prices of agricultural commodities in foreign markets and stagnant demand in our main markets.

"Although there has been a modest rise in revenues from imports from \$551 million in 1977-78 to \$581 million in 1979-80, and the preliminary estimates for the calendar year 1982 are about \$641 million, these figures are far short of our ambitions, and we hope that the rate of growth of exports will rise once production in the projects under reconstruction increases.

"The fruits have begun to appear, this season, especially in cotton, corn and oil grains.

"If the increases continue as expected, there is no doubt that export revenues will rise in future years."

No Changes in General Export Policy

His excellency went on,

"As regards imports, we have followed a flexible policy, in which our goal is to increase the supply of commodities in the market, meet demand and eliminate bottlenecks, especially in main commodities.

"We have turned to the classification of goods and definition of means of financing, through the revenues available to banks or what is known as internal revenues. There are some restrictions, to protect local production, but in general the policy is aimed at liberating imports from bureaucratic restrictions that caused shortages in the past.

"Consequently, there will be no change in general import policy at the present time; I believe that the current policy is clear, and we consequently hope that the people concerned will commit themselves to the letter of this policy without entering into commitments which the government might not agree to or having to pay money for goods which the ministry might not allow in.

"The deputy minister has issued many press advertisements stating what is permitted and what is prohibited. Consequently, we expect importers to commit themselves to this policy, and I can assert that nothing makes it mandatory that ministry deal with problems which deviate from the general policy.

"I would also like to stress that national imports policy is binding and that the permits issued by the nationwide ministry are documents whose execution is mandatory.

"I believe that if we compare the supply situation in the summer of 1979 with the supply situation now, we will find that the difference is great in terms of the disappearance of shortages, the availability of goods and alleviation of the masses' suffering.

"We have eliminated the shortages in construction materials, rice, lentils, vegetable oil, detergent, batteries, sugar and bread-discs. I would not say that we have reached a stage of abundance in its exact sense, but I can say that the policies that have been followed, and the work that each agency in the economic sector has performed, have helped eliminate the supply shortages, provide basic goods and alleviate the sufferings of the masses."

Question: Some people say that the market is full of luxury goods, like canned foods for instance, and that this might be wasteful of resources. I held a local press interview in which it was pointed out that we have imported a billion pounds' worth of canned goods. I was amazed at this news, since I had not imagined that our resources would permit the spending of 1 billion pounds on such goods as canned food.

The minister said,

"Of course there is a difference in opinion on whether all canned goods should be considered luxuries or necessities. Regardless of that difference, the value of all canned goods that have been imported of all various kinds does not exceed \$3 million, and that is less than 1 percent of the value of the letters of credit that are opened.

"We might mention that the buying power for that kind of commodity is limited and therefore there is no fear of an influx of it.

"In spite of the numerous equations, we previously issued a decree stopping the imports of canned goods which were basically financed through the free market, that is, through moneychangers and not government resources; we stopped that because we felt that the volumes imported were very large in comparison with local demand, and we stopped that for a period in which the matter was to be studied in greater depth. This suspension did not have an effect on the course of events or the free market exchange rate of the dollar. The rate of the dollar did not drop as a result of the suspension of canned goods, and consequently the effect of that on the volume of imports or the resources available for financing was modest.

"Rather, we believe that there were nothing but restrictions. Whenever smuggling across our immense borders increased, customs revenues dropped and the argument on inflation intensified.

"We are not following a free policy in the classical sense, but we are trying to reduce restrictions, intervene on behalf of the public interest, review the lists of goods from time to time after evaluation and study and produce alternatives, which will be declared to everyone concerned."

The minister went on to say,

"As I said, this policy has not failed. Rather, it has succeeded, in view of the stability the market now enjoys. If we want to reduce the volume of overall demand for goods, that will be done not by setting out restrictions but rather through financial and monetary policies."

We Are Not Protecting Idols — We Are Protecting Output

The discussion with Mr Faruq Ibrahim al-Maqbul, the minister of cooperation, trade and supply, moved over to the issue of local industrial production. We next asked this question of his excellency: Do commercial policies take protection of local industry into account?

His excellency replied by saying,

"Yes, of course we protect the investments that have been made, on the condition that local production be sufficient for market requirements and that product quality and prices be reasonable. Consultations with the Ministry of Industry on this matter are continuous, but one of the conditions that have prompted us to protect industry is that it be productive, and we cannot protect an industry whose production is confined to sporadic periods which are not sufficient for the needs of the market and those that lack sound management or a good financial situation.

We do not protect categories, we protect production. If local industry helps us with abundant, consistent production and reasonable prices for the consumer, it certainly will receive every possible form of support from us; consequently, what we ask of local industry is that it bear the responsibility for supplying goods and bear the responsibility for sound distribution and for trying to create surpluses for export, because that is the only way to reduce costs and open numerous areas of production.

"There are a number of methods for protecting local production, including prohibiting imports and using financial techniques by raising the customs classes on future imported goods.

"In the Sudan, up to now we have followed the method of prohibiting imports of fledgling industries, but there are only a limited number of years in a childhood, and a youthful industry cannot remain so for decades.

"I can assert that we encourage and protect investments and know what tentative difficulties they face at certain times; however, we will not stand for scarcity, want or unjustified high prices."

The Issue of High Prices

Question: Some citizens complain of the high prices of certain commodities even when those are available. What is your excellency's comment on that?"

His excellency replied,

"A number of factors determine the price of a given commodity. In the case of imported goods, their price depends on the import price CIF, and in the case of local goods their price depends on production cost.

The prices for various goods fluctuate within the limits of this factor, in addition to the factor of supply — that is, the more the supply of a commodity increases the more the sales price drops, because the seller contents himself with a lower profit class.

"I believe that the anticipated increase in local output and the continued flow of imported goods will help stabilize prices; I do not believe that the prices of many goods in the Sudan are unreasonably high in comparison with prices in other countries.

"Although we do not subsidize commodities as a declared policy, the prices of many commodities are below those that exist in similar countries.

"Perhaps that has been because of an improvement in the supply situation and the availability of goods in reasonable quantities. However, the important point is price stability and a low rate of annual increase. That is the criterion we must think about."

Does the Current Distribution Policy Mean a Monopoly?

Question: Does the current distribution policy as regard major commodities mean a sort of monopoly, especially via public sector and cooperative sector company channels?

The minister replied,

"First, we must state that the commodities emphasized are confined to two — sugar and flour. That is, the government has been supervising these commodities directly up to now. Consequently, direct distribution by the government is restricted to these commodities. I would like to say that we should point out that the ministry's responsibility for distribution is restricted to the Province of Khartoum and that the regional governments are responsible for distribution within their own areas in accordance with the decentralization policy.

"Third [sic] as regards the Province of Khartoum, sugar is distributed in accordance with declared policy through a number of channels including the Federation of Wholesale Merchants, and the Federation of Retail Merchants, in addition to the cooperative sector and a public sector company, the al-Jazirah Company, because of the distribution channels it has, embodied in permanent retail merchant customers.

"As regards the other commodities, the ministry does not involve itself in distribution. Rather, they are given freedom to move in the market and the public sector companies and cooperative organizations are in free competition with the private sector in regard to lentils, rice, cooking oil, coffee, tea or other basic commodities. The

importation of all these commodities is permitted in the case of all sectors; whoever has the ability to supply them can distribute them."

The New Law and the Cooperative Bank Have Put Cooperative Activity on Its Proper Course

The conversation with the minister of cooperation, trade and supply then moved over to the cooperative movement, and we posed the following question to him:

What policy has been set forth to make use of the cooperative sector and strengthen it so that it can play its role in the present and future effectively? The minister replied by saying,

"I would like to state that the government takes special interest in improving and developing the cooperative sector, and, although cooperative activity basically depends on the effort of the people at the level of societies, regional federations or the peak of the system, which is represented by the National Cooperative Federation, the government's role is embodied in care, guidance, supervision and the provision of policies which will help advance the cooperative movement.

"We have spelled out a general cooperative policy whereby it will be rid of limited activities represented by distribution, its structures will be built by exploring the areas of agricultural, industrial and service production, and it will work to carry out the general framework the government's economic program has spelled out in the form of increasing production and improving services.

"I am happy to state that there has been a perceptible change in the last 2 years through the cooperative movement's exploration of new areas and horizons.

"There are the cooperative projects that are functioning and there are the new projects under construction. With thanks to God, we have completed the constitutional measures related to the Cooperative Law for 1982, which went into effect following its signing by the president.

"One of the most important features of that law is the emphasis on the decentralization of cooperatives, so that the cooperative movement can develop in the regional context, and the granting of all the central minister's powers to the competent regional minister as far as cooperative activity goes by legal stipulations and not by delegation.

"We hope that this method will help induce the people's movement in the provinces to bear its responsibilities in full.

"The central ministry will be in charge of responsibility for general policies and for supervision of the national organizations, in addition to the cooperative movement in the Province of Khartoum.

"In addition to that, the People's Assembly, at its last session, gave agreement to the Law on the Cooperative Development Bank, and we hope that that draft will see the light of day this year, since we have created a specialized financing institution to carry out the policy that has been set forth, which is to get the cooperative movement to explore areas of production. I believe that this is a great achievement, since it

is not reasonable for us to demand that the cooperative movement get into productive investments if it is suffering from a scarcity of revenues. Consequently, it has been necessary to support this policy by establishing a specialized bank which will help not just in financing but also in studying and evaluating cooperative movement projects.

"I believe that we have set the cooperative movement on its proper course, and there is enthusiasm on the part of people in various levels cooperatives for participating effectively in the real development the government policy has laid out, especially since the importance of commodity distribution has started to disappear with the disappearance of sudden shortages and has ceased to be an activity that has a future."

The minister's discussion on the basic aspects in which the program has succeeded addressed itself to classical theory, the theory of the exchange rate, which means that reviewing the set foreign currency rate will help increase exports by helping to increase demand for them as a result in the drop in their prices relative to the prices offered by other countries.

"Imports will drop, since their prices in the local market will rise and consequently consumers will proceed to buy alternative local goods, and this will help increase production and increase exports, and the reduction of imports will help improve the balance of payments.

"However, in applying this theory, there must be price flexibility in goods, in the sense that demand should be flexible, rising and falling with the rise and fall in prices."

The minister went on to state:

"With respect to agricultural countries, in the Sudan, our export commodities, agricultural commodities, might enjoy a high degree of flexibility with respect to prices, in the sense that the world market sets the prices for us and consequently their decline will not mean high rate of increases in exports, especially when we take into consideration that we enjoy a monopoly in the world market only in the case of gum arabic.

"As a consequence, we review the issue of the modification of the exchange rate in the context of the Sudan as a means for increasing the producer's revenues in Sudanese currency. For example, if the price of a dollar is 50 piasters, and the price of a unit is \$100, the revenues will be 50 pounds, and if the price of the dollar is amended to 90 piasters, revenues will rise to 90 pounds.

"The rise in producer's revenues will be an incentive to increase production in future seasons.

"As regards imports, there may be commodities for which demand is inflexible and consequently consumption of these might not be significantly affected when their prices rise. There are also inflexible productive instruments, so that the consumer turns to purchase local alternatives. However, there is without a doubt an important aspect, and that is that the price rise makes citizens take individual initiatives to guide their consumption in the medium range.

"It is certain that consumption patterns evolve according to prices and incomes. However, that might take some time, and it might require a fiscal and monetary policy influencing total demand in the domestic economy.

"In addition to that, the rise in the costs of investment goods will undoubtedly help guide the selection of investment fields and emphasis on projects that are profitable socially as well as personally and effect a conversion to production connected to local resources and a failure to rely on production depending on imported factors."

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BRIEFS

LPG EXPORTS UP--The UAE gas industry developed rapidly during the first quarter of this year compared with the same period last year. UAE production of liquid natural gas at the end of last March amounted to 632,219 metric tons, 48.2 percent above March 1981 levels. The nation's production of liquid petroleum gas during this period was two and a half times higher than the same period of the previous year. It amounted to 689,321 metric tons, a whopping 163.4 percent increase. The increase in production was accompanied by an equivalent increase in exports. Exports of liquid natural gas during the same period rose from 513,656 to 560,498 metric tons, a 9 percent increase. Exports of liquid petroleum gas rose from 274,931 to 673,472 metric tons, a tremendous 145 percent increase. Recent petroleum statistics show that in the first quarter of the year UAE exports of gas represented a large portion of [total] production: 97.7 percent of liquid petroleum gas and 88.7 percent of liquid natural gas. According to these statistics UAE exports of the three main gases constituting liquid petroleum gas during the first quarter of this year represented the following percentages of total production: propane: 310,447 metric tons, 105.9 percent (the difference came from reserves); butane: 211,448 metric tons, 94 percent; pentane: 151,577 metric tons, 88 percent. [Text] [Dubayy AL-BAYAN in Arabic 4 July 82 p 2] 9123

FEDERAL COUNCIL SCORES U.S. POLICY--Last Monday, on 6 July, the National Federal Council in the UAE Met to discuss recent developments in Arab affairs in the wake of Israel's military incursion into Lebanon. The meeting produced the following recommendations which were immediately submitted to the UAE government and its president, Shaykh Zayid ibn Sultan Al Nuhayyan: There was a demand that the United States government reassess its policy toward the Middle East in general and the Palestinian question in particular, so that its policy will be based on affirming the right of the Palestinian people to establish an independent state on its own soil led by the PLO. Another demand was that the U.S. government stop supplying arms and materiel to the Zionist enemy in view of the fact that Israel has always used this support in carrying out its continual acts of aggression against Arab territories, most recently Lebanon. The Federal Council's communique called on the United States government to take into consideration its interests and its petroleum and economic investments in the Arab World. It warned it to base its policy on these interests and to put pressure on Israel to withdraw its forces from Lebanon immediately. If the U.S. government does not demonstrate some positive step in this area within a period appropriate to the delicacy and danger of the

present situation the UAE government, according to the communique, will consider taking whatever measures are necessary to preserve Arab rights. The communique strongly urged the other Arab governments to take a similar position. Finally, the communique strongly urged the UAE government to request the GCC to call for a hasty and comprehensive Arab summit conference to study the current situation in the Arab World including the following points: the withdrawal of Arab funds from U.S. banks and from the banks of those countries that support Israel; severing diplomatic and economic relations between the Arab countries and the United States and countries that support Israel; utilization of Arab military capabilities to defend the Arab homeland. [Text] [London AL-DUSTUR in Arabic no 242, 12 Jul 82 p 11] 9123

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